Overview of the functioning of UNICEF
Financial Oversight and Management

Orientation for the 2021 Executive Board members
15 January 2021

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Comptroller and Director, Division of Financial and Administrative Management
Governance and Oversight

The Executive Board is the governing body of UNICEF.

- The UNICEF Executive Board has 36 members, elected for three-year terms with a regional allocation of seats: Africa (8 seats), Asia (7), Eastern Europe (4), Latin America and Caribbean (5) and Western Europe and Others (12).
- They are elected from among the member state representatives by the United Nations Economic and Social Council.
- It is responsible for providing intergovernmental support to and supervision of the activities of UNICEF.
- The Board meets three times each year, in a first regular session in January/February, an annual session in June and a second regular session in September.

UNICEF internal and external oversight is conducted by various bodies, including:

- ACABQ
- Fifth Committee
- Internal Management Reviews
- Annual External Audit by UNBOA
- Internal Audit and Investigations
- Audit Advisory Committee
- JIU reviews
- Donor Reviews and Assessments
Financial Regulatory Framework

The Financial Regulatory Framework is made up of the following key components:

- UNICEF Financial Regulations and Rules
- UNICEF Policies and Procedures
- International Public Sector Accounting Standards (IPSAS)
- Internal Control policy based on COSO Internal Control - Integrated Framework

**Focus areas**
- Value for Money
- Enterprise Risk Management
- Regulatory Framework
- Transaction Level Monitoring
- Anti-fraud Strategy
- Results-based Reporting
Management and Accountability

**Management**

UNICEF is led by an Executive Director:

- Appointed by the Secretary-General in consultation with the Executive Board.
- The Executive Director is fully responsible and accountable to the Executive Board for all phases and aspects of UNICEF activities.

**Accountability**

- Executive Director is fully responsible and accountable to the Executive Board.
- All officials are accountable to the Executive Director for their actions. They may be held personally responsible and financially liable for the consequences of contrary actions.
- Officials may be required to reimburse UNICEF for financial losses as a result of their negligence or violation of framework.
- The administration of Financial Rules and Regulations is delegated to the UNICEF Comptroller.

**Ethics**

- Strong Ethics Office, policies and standards:
  - UN Staff Rules, Standards of Conduct for International Civil Servants and Code of Ethics and UNICEF Financial Regulations and Rules
  - UN Policy on Gifts, UN Supplier Code of Conduct & related UNICEF instruction on Acceptance of Awards, Decorations, Gifts, Honours, Medals, etc.
- Management Reviews and Discussions:
  - Global Management Team (GMT), Performance Reviews, Management committees
- Internal broad access to all policies, dashboards, audit reports, annual disciplinary report
## Types of Financial Resources

UNICEF is voluntarily funded with the following funding types:

### Regular Resources (RR)
Resources that are unrestricted and include pledges of voluntary contributions from governments and private donors, other governmental or intergovernmental contributions, donations from non-governmental sources, bank interest and other investment revenue and miscellaneous revenue.

### Other Resources - Regular (OR-R)
Contributions received which have been earmarked by donors for specific purposes and are hence considered restricted. The earmarking may be by country, geographic area, theme, project, sector etc.

- **Other Resources (OR-R) Thematic**
  - OR contribution that can be spent flexibly within the funded Outcome or Focus Area.

- **Other Resources (OR-R) Non-Thematic**
  - OR contribution that is restricted to a particular activity.

### Other Resources - Emergencies (OR-E)
These are contributions received in response to emergencies.

- **Other Resources (OR-E) Thematic**
  - OR contribution that can be spent flexibly within the funded Outcome or Focus Area.

- **Other Resources (OR-E) Non-Thematic**
  - OR contribution that is restricted to a particular activity.
Background of Financial Planning Framework

- Four-year Integrated Budget as part of the Strategic Plan
- Updated annual financial estimates per Financial Rules and Regulations – based on current year plus 3 future years.
- Midterm review of the Integrated Budget as part of the midterm review of the Strategic Plan
- Allows UNICEF to plan commitments prudently while pursuing medium-term objectives
Integrated Budget

- **Budget categories**
  - Programme
  - Institutional
  - Special Purpose

- **Country**
- **Global and regional**
- **Development effectiveness**
- **Management**
- **United Nations development coordination**
- **Special purpose: Capital investments**
- **Private sector fundraising**

- **Programme Regular Resources (RR) allocations:**
  - RR allocated according to formula based on three core criteria:
    - ✓ Gross national income (GNI) per capita
    - ✓ Under-five mortality rate
    - ✓ Child population
  - Minimum allocation: $850k
# Executive Board Sessions

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<thead>
<tr>
<th></th>
<th>First Session</th>
<th>Annual Session</th>
<th>Second Session</th>
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<tbody>
<tr>
<td>Strategic Plan with Integrated Budget</td>
<td></td>
<td></td>
<td>✓ Every 4 years</td>
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<tr>
<td>Mid Term Review</td>
<td></td>
<td>✓ 3rd year of the Strategic Plan</td>
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<tr>
<td>Updated Financial Estimates</td>
<td>✓ Annual</td>
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<tr>
<td>Country programme documents</td>
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<td>✓</td>
<td>✓</td>
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<tr>
<td>Audited Financial Statements</td>
<td>✓ 14 months following year end</td>
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<tr>
<td>PFP Budget</td>
<td>✓</td>
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<tr>
<td>PFP Financial Report</td>
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Thank You.