

## UNICEF Executive Board Annual Session 2026

### Item 13: UNICEF Office of Internal Audit and Investigations 2025 annual report, and management response, and the Audit Advisory Committee 2025 annual report

17 June 2026 - Joint Statement delivered by Ambassador Bart De Wolf, DPR of the Mission of Belgium

Mr. President,

Madame Executive Director,

I deliver this statement on behalf of Australia, Canada, the European Union as a donor, Ireland, Japan, the Kingdom of the Netherlands, Switzerland and my own country Belgium.

We express our appreciation for the presentation of **the annual report of the Office for Internal Audit and Investigations, the management response, and the Audit Advisory Committee's report**. It is ultimately these core functions of the organisation that ensure that children are helped to the very best of your ability.

We welcome the conclusion that UNICEF's **governance, risk management, and control framework remain adequate**, and that the number of total investigations closed in 2025 has increased significantly. At the same time however, the rate of country offices with *“Major Improvement Needed or Unsatisfactory”* opinions has

increased to 40 percent of all reports issued. We further note the sustained increase in workload faced by the Office as UNICEF operates under **funding constraints, organizational restructuring, and a shift towards leaner delivery models**. How do you assess the **ability of the independent functions** to work effectively despite UNICEF's financial pressure and operational complexity?

The report highlights recurring, cross-cutting risks in key operational areas such as **cash transfers, programme monitoring, procurement, and supply chain management**. Persistent challenges in documentation, partner oversight, last-mile verification, procurement planning, and contract management have direct implications for programme effectiveness and value for money. Could you **elaborate on the strategy and measures** that are envisaged to address these risks and ensure consistent implementation? We call on UNICEF to prioritize the twenty-two agreed audit actions pending implementation for more than 18 months.

Risks related to fraud and misconduct, including Sexual Exploitation, Abuse, and Harassment, remain structurally high, while detection rates appear low. Identified weaknesses include limited guidance available on conducting fraud assessments, incomplete fraud risk assessments, delayed escalation of suspected cases, and inconsistent application of anti-fraud controls. How do you

assess **the effectiveness of the current control model and the preventive support provided to country offices?** The Audit Advisory Committee flagged that a resolute, empowered second-line compliance function is absent. Could you elaborate on plans for the implementation of such a function?

Considering there is high residual fraud risk in cash intensive program delivery, particularly under Harmonized Approach to Cash Transfers, the AAC recommended a global, independent assessment of fraud risk and HACT effectiveness. Is such an assessment planned, and what other measures do you plan to address systemic weaknesses in assurance coverage?

We further observe that the Office operates with **relatively limited and largely fixed resources** while facing increasing oversight demands in a more complex risk landscape. We thank UNICEF for protecting the OIAI budget during the organizational restructuring. Although a substantial resource envelope is foreseen for 2026–2029, reductions in non-staff resources could constrain flexibility. How do you plan to align its capacity with UNICEF’s scale and risk profile, and how will you prioritize, subject to available resources?

In closing, we look forward to further information on the planned **independent evaluation of the Future Focus Initiative**. Could you

elaborate on its scope, and whether it will include a financial assessment?

I thank you.