Item 10: UNICEF Office of Internal Audit and Investigations 2020 annual report to the Executive Board
Reference documents: E/ICEF/2021/AB/L.3 and Add.1
COVID-19: Challenges and Opportunities

- Mid-year revision of 2020 annual workplan
- Transitioned to fully remote audits and investigations
- Increased use of forensic audits, data analytics and open-source intelligence
- Increased advisory work
- Contributed to organizational risk management, including COVAX

OIAI Confirms:

- Independence and absence of management interference
- Compliance with professional standards
- Advancement of restructuring and decentralization plans
- Audit coverage gap continues
- Revised OIAI Charter presented to Executive Board for decision, replacing May 2012 Charter
Annual Opinion

In line with Executive Board decision 2015/11 and based on the scope of work undertaken in 2020, the UNICEF framework of governance, risk management and controls was generally adequate and effective.

**BASIS FOR OPINION**

➢ Independent risk-based work planning and prioritization based on available resources
➢ 94 per cent of the audit reports resulted in an overall satisfactory rating
➢ Satisfactory implementation rate of agreed actions
➢ Non-discovery of material deficiencies in the overall organization framework of governance, risk management and control

• 23 reports: 19 audits (17 Country offices, 1 thematic on HACT, 1 Joint UN audit) and 4 advisories (including Accountability Framework)
• Country offices audited constituted 29% of UNICEF 2020 planned programme expenditures
• 13% ‘high-priority’ agreed actions
• 15 agreed actions older than 18
• 74% of 2019 agreed actions implemented

**FOCUS OF COUNTRY OFFICE AUDIT OBSERVATIONS**

- Programme management (52%)
- Governance and accountability (19%)
- Supply and logistics (6%)
- Resource mobilization (5%)
- Others (18%)

0 10 20 30 40 50 60 70 80 90

High Risk

Medium Risk
Investigation Overview

520 investigations cases managed in 2020, representing a 4 per cent increase compared to 2019

NEW CASES IN 2020
308 allegations received in 2020
15% decline over 2019

Distribution of 2020 case intake

- Inappropriate staff conduct and personnel disputes: 22%
- Fraud and corruption: 35%
- Sexual exploitation and abuse: 19%
- Sexual harassment: 5%
- Harassment and abuse of authority: 11%
- Retaliation: 1%
- Others: 7%

CASES CLOSED IN 2020
254 cases closed (12% lower than 2019)
75% cases closed within 9 months

Disposition of closed cases

- Investigation reports: 18%
- Referral to another UNICEF office or other entity: 49%
- Closure memorandum: 5%
- Advisory memorandum: 1%
- Insufficient info to investigate: 27%
- Fraud and corruption: 35%
- Sexual exploitation and abuse: 19%
- Sexual harassment: 5%
- Harassment and abuse of authority: 11%
- Retaliation: 1%
- Others: 7%

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OIAI 2021 Revised Charter

- Revised OIAI Charter presented to Executive Board for decision, replacing May 2012 Charter
- Clarifies mandates in areas of audit, consulting and investigations
- Considers recent recommendations of the Joint Inspection Unit and United Nations Board of Auditors
- Strengthens provisions on independence and accountability of OIAI and its staff, including on risk-based auditing and conflicts of interest
- Addresses cooperation and information exchange with other oversight entities
- Enables proactive investigations, which is critical in areas of operations susceptible to fraud and corruption
2022-2025 OIAI Strategy and Resources

INTERNAL AUDIT
Agent of Change and Trusted Adviser
- Close the ‘Coverage Gap’
- Grow Consulting Services
- Technology and Data Analytics
- Communication
- Innovation and Staff Development

INVESTIGATIONS
Trustee for Integrity
- Focus on fraud risk
- Conflict resolution
- Skill Sets
- Systems and Tools
- Framework Procedures
- Promote Accountability, Integrity and Ethical Behaviour

KEY ACCELERATOR — DATA ANALYTICS
- Information Dashboards (2021)
- Risk Intelligence (2022-2023)
- Predictive modelling (2024-2025)

ADDITIONAL RESOURCES FOR IMPLEMENTATION OF 2022–2025 STRATEGY
- Additional Posts
  - 10 Internal Auditors
  - 1 PSEA Investigator
  - 1 Data Scientist
- Non-Post Budget
  - Surge & Expert Capacity
  - Staff Training
  - Technology
- Separate Budget for Audit Advisory Committee

Anticipated results
- Increased assurance and reduced coverage gap
- Increased advisory services
- Catalyst for organizational smart risk-taking
- Use data analytics for better risk intelligence
- Increased donor confidence
Thank you.