

UNICEF Policy on Anti-Fraud and Corruption	
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Section I: Purpose and Application

Purpose

- 1.1. The purpose of UNICEF's Policy on Anti-Fraud and Corruption is to outline the organization's zero tolerance for inaction against Fraud and Corruption (as defined in this Policy). It establishes UNICEF's commitment, procedures and responsibilities for the prevention, detection and response to allegations of Fraud and Corruption across all of UNICEF's programmes and operations.
- 1.2. This Policy reaffirms UNICEF's anti-Fraud and Corruption commitment, sets expectations of tone at the top and emphasizes the critical role of risk management and mitigation. It further defines key roles and responsibilities, including the establishment of the role of the Anti-Fraud Officer (AFO), to ensure the effective implementation of this Policy.

General Principles

- 1.3. Fraud and Corruption are against UNICEF's core values, divert resources from their intended purposes and can have a serious negative impact on the effective implementation of its programmes and operations. Fraud and Corruption cause reputational damage and the erosion of Resource Partner trust, undermine public trust and confidence in UNICEF, and ultimately impair the results for children.
- 1.4. Consequently, UNICEF has zero-tolerance for inaction against Fraud and Corruption involving its Staff and Affiliate Personnel, Implementing Partners and Vendors in relation to their work and partnership with UNICEF, meaning that:
 - 1.4.1 UNICEF will pursue credible allegations of Fraud and Corruption involving those who are subject to this Policy; and
 - 1.4.2 Appropriate administrative, disciplinary measures or contractual remedies will be applied if misconduct or wrongdoing is established.
- 1.5. All of those subject to this Policy are responsible for preventing and mitigating the risks related to Fraud and Corruption and must report any reasonable suspicions to the Office of Internal Audit and Investigations (OIAI) as soon as reasonably practical through OIAI's hotline (integrity1@unicef.org). All reports are treated confidentially.
- 1.6. UNICEF will hold accountable those subject to this Policy who are found to have engaged in Fraud and Corruption.
- 1.7. UNICEF will ensure that all persons reporting Fraud and Corruption, including Staff and Affiliate Personnel, are protected against retaliation in accordance with the UNICEF Policy on Whistle-Blower Protection Against Retaliation.

Tone at the Top

- 1.8. Senior management is responsible for setting the tone at the top by:
 - 1.8.1 Behaving ethically and openly communicating expectations to Staff and Affiliate Personnel;
 - 1.8.2 Creating a positive workplace environment;
 - 1.8.3 Hiring and promoting employees who are competent and have the right work ethic;

- 1.8.4 Consistently applying Staff Regulations and Rules and other relevant documents;
 - 1.8.5 Ensuring that Fraud and Corruption controls are in place and accountabilities clear; and
 - 1.8.6 Taking actions, when necessary, within the parameters established by UNICEF policies and procedures.
- 1.9. The responsibility for setting the tone at the top is also required of Staff who have delegated authority to approve and/or make decisions on behalf of UNICEF from the Executive Director, the Comptroller, and Heads of Office in line with the UNICEF Policy on the Delegation of Authority.

Relationship to other Regulatory Framework Documents

- 1.10. This Policy complements the following regulatory content and other documents designed to foster and promote the highest standards of conduct:
- 1.10.1 Charter of the United Nations;
 - 1.10.2 UNICEF Financial Regulations and Rules;
 - 1.10.3 Staff Regulations and Rules of the United Nations;
 - 1.10.4 Standards of Conduct for International Civil Service;
 - 1.10.5 UNICEF Policy on Whistle-Blower Protection Against Retaliation;
 - 1.10.6 UNICEF Policy on Anti-Money Laundering and Countering the Financing of Terrorism;
 - 1.10.7 UNICEF Policy on the Disciplinary Process and Measures; and
 - 1.10.8 Other applicable regulatory framework documents listed in Section IX of this Policy.
- 1.11. The general terms and conditions of agreements with third parties who are subject to this Policy must align with this Policy.

Application

- 1.12. This Policy applies to all Staff, Affiliate Personnel, Implementing Partners and Vendors.
- 1.13. National Committees are expected to adopt and enforce their own policies that are no less stringent than this Policy.
- 1.14. This Policy does not apply to money laundering and countering the financing of terrorism, which is covered by the UNICEF Anti-Money Laundering and Countering the Financing of Terrorism Policy.

Section II: Definitions

- 2.1. For the purpose of this Policy, the following terms shall have the following respective meanings:
- 2.1.1 **Fraud and Corruption (also referred to as Prohibited Practices):** refers to fraud, corruption, collusion, coercion and obstruction collectively, as each defined below. Definitions of Fraud and Corruption and its related components in UNICEF documents and agreements must be consistent with the definitions in this Policy. In the event this Policy is amended to include additional practices, other UNICEF documents and agreements will be updated accordingly. In the event of any inconsistency between this Policy and other documents, this Policy shall prevail.

- 2.1.2 **Affiliate Personnel:** refers to individuals with a contract with UNICEF, who perform work or produce deliverables for UNICEF, and who are not Staff.
- 2.1.3 **Coercive practice:** means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of a party to influence improperly the actions of a party.
- 2.1.4 **Collusive practice:** means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
- 2.1.5 **Corrupt practice:** means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.
- 2.1.6 **Fraudulent practice:** means any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation.
- 2.1.7 **Implementing Partner (or IP):** refers to entities to which UNICEF has entrusted the implementation of a programme specified in a signed partnership document along with the assumption of responsibility and accountability for the effective use of resources and the delivery of results. IPs are categorized as one of the following partner types: Government, UN agency, non-UN inter-governmental organization and civil society organization (CSO).
- 2.1.8 **National Committee for UNICEF (or National Committee):** means a national non-governmental organization which has concluded a Cooperation Agreement with UNICEF for the purpose of promoting the aims and objectives of UNICEF, advancing children's rights and well-being globally through resource mobilization, advocacy, and other activities in its territory in accordance with the Cooperation Agreement.
- 2.1.9 **Obstructive practice:** means acts intended to materially impede the exercise of UNICEF contractual rights of audit, investigation and access to information, including destruction, falsification, alteration or concealment of evidence material to a UNICEF investigation into allegations of Fraud and Corruption.
- 2.1.10 **Reasonable suspicion:** refers to concerns, based on objective facts, circumstances, or observations, that Fraud and Corruption may have occurred, is occurring, or is likely to occur. It does not require conclusive evidence but must arise from identifiable facts or observations rather than personal bias, assumptions or rumors.
- 2.1.11 **Resource Partner:** refers to all entities providing voluntary contributions to UNICEF, including public and private sector donors and partners, e.g. governments as well as intergovernmental organizations, non-governmental organizations, voluntary agencies, individuals and other sources.
- 2.1.12 **Staff:** refers to persons holding a UNICEF Letter of Appointment on the basis of the United Nations Staff Regulations and Rules and signed under the authority of the UNICEF Executive Director.
- 2.1.13 **Vendor:** refers to an entity (vendor or supplier) that potentially or actually provides goods or other products (including intellectual property), services and/or works to the organization. A Vendor may take various forms, including an individual person, a company (whether privately or publicly held), a partnership, a government agency or a non-governmental organization. For the purpose of this Policy, employees, officers, advisers or representatives of a Vendor will be considered agents for which the Vendor is responsible.

Section III: Roles and Responsibilities

- 3.1. This section outlines specific roles and responsibilities in relation to the implementation of this Policy. Certain UNICEF Staff and Affiliate Personnel have specific anti-Fraud and Corruption responsibilities which are further defined within their job descriptions.

Staff and Affiliate Personnel

- 3.2. Staff and Affiliate Personnel are responsible for acting in accordance with the highest standards of integrity, which includes:
- 3.2.1 Adhering to applicable UNICEF and United Nations standards of conduct and the provisions of contractual agreements entered into with UNICEF;
 - 3.2.2 Not engaging in, condoning or facilitating, or appearing to condone or facilitate, any Fraud and Corruption in the course of UNICEF activities and operations;
 - 3.2.3 Refraining from participating in any situation that may give rise to a perceived or actual conflict of interest;
 - 3.2.4 Exercising due care in managing UNICEF funds, resources and assets;
 - 3.2.5 Applying established risk management and internal control mechanisms to mitigate the risk of Fraud and Corruption;
 - 3.2.6 Complying with mandatory anti-Fraud and Corruption training requirements;
 - 3.2.7 Participating in learning and awareness programs to improve their knowledge, understanding and familiarity with UNICEF's Anti-Fraud and Corruption Policy and the fundamentals of Fraud and Corruption as it relates to their respective deliverables; and
 - 3.2.8 Promptly reporting any reasonable suspicions of Fraud and Corruption to OIAI.
- 3.3. In the exercise of their functions, all Staff and Affiliate Personnel have a responsibility to comply with UNICEF's internal controls, including the Policy on Internal Controls and related Procedures, and to actively participate in fraud risk assessments within their areas of responsibility, supporting the identification of risks and the implementation of appropriate mitigation measures.
- 3.4. All Staff and Affiliate Personnel must cooperate with any investigation or other inquiry conducted by OIAI and may be held accountable under the UNICEF Policy on the Disciplinary Process and Measures for failing to satisfy their obligations under this Policy, or for knowingly condoning or facilitating any practice that is contrary to this Policy.

Heads of Office

- 3.5. Heads of Office are responsible and accountable for ensuring that:
- 3.5.1 All measures aimed at preventing and detecting Fraud and Corruption are in place.
 - 3.5.2 The internal control framework, including all measures aimed at preventing, detecting, and responding to Fraud and Corruption is functioning effectively including adequate segregation of duties and delegations of authority necessary to prevent Fraud and Corruption.

- 3.5.3 Lessons learned from annual and periodic Fraud and Corruption risk assessments, assurance activities including internal audits, investigations and pro-active reviews are incorporated into fraud risk management activities.
- 3.5.4 All Staff and Affiliate Personnel in their office comply with this Policy.
- 3.5.5 All reasonable suspicions of Fraud and Corruption are promptly reported.

Heads of Operations

- 3.6. Heads of Operations are designated as the anti-Fraud and Corruption focal points for their offices and are responsible and accountable for:
 - 3.6.1 Familiarizing themselves with the types of Fraud and Corruption that might occur within their offices and operating environment, and to be alert for any 'red flags' of Fraud and Corruption.
 - 3.6.2 Ensuring that risk management capacity is in place, in compliance with UNICEF's regulatory requirements.
 - 3.6.3 At the Regional Office Level, in coordination with the AFO:
 - 3.6.3.1 Ensuring that all measures aimed at preventing, detecting, and responding to Fraud and Corruption are in place and continuously followed in their offices and monitor and support Country Offices in their regions, including by facilitating training, awareness and capacity building;
 - 3.6.3.2 Encouraging all Staff and Affiliate Personnel in their offices and Country Offices in their regions to be vigilant regarding suspected Fraud and Corruption-related risks within key business processes;
 - 3.6.3.3 Assisting in efforts to recover funds lost due to suspected or proven Fraud and Corruption; and
 - 3.6.3.4 Updating the Comptroller regularly on efforts to recover funds lost due to suspected or proven Fraud and Corruption.
 - 3.6.4 At the Country Office Level, in coordination with the AFO:
 - 3.6.4.1 Ensuring that all measures aimed at preventing, detecting, and responding to Fraud and Corruption are put in place and continuously followed;
 - 3.6.4.2 Leading and coordinating the annual Country Office Fraud and Corruption risk assessments, which cover both operations and programmatic activities;
 - 3.6.4.3 Ensuring Staff and Affiliate Personnel are aware of their obligation to report suspected Fraud and Corruption and can do so without fear of retaliation;
 - 3.6.4.4 Approving risk management and mitigating actions compliance plans for Implementing Partners and Vendors where Fraud and Corruption is suspected but where temporary suspension or debarment of the partner is not possible;
 - 3.6.4.5 Lead in the recovery of funds for cases of ineligible expenditure-related suspected or proven Fraud and Corruption losses within their offices; and

- 3.6.4.6 Regularly informing, advising and updating the Head of Office, the Comptroller and AFO on Fraud and Corruption risks, anti-Fraud and Corruption activities and efforts to recover funds lost due to suspected or proven Fraud and Corruption.

Deputy Representatives, Programme

- 3.7. Deputy Representatives, Programme, are responsible and accountable for ensuring that they:
 - 3.7.1 Familiarize themselves with the types of Fraud and Corruption that might occur within their area of responsibility and operating environment, and to be alert for any 'red flags' of Fraud and Corruption.
 - 3.7.2 Put in place measures aimed at preventing, detecting, and responding to Fraud and Corruption for optimum use of resources.
 - 3.7.3 Apply this Policy in the collaboration with Implementing Partners, Vendors and others, and when approving disbursements of funds in accordance with delegation of authority.
 - 3.7.4 Ensure that Staff and Affiliate Personnel are aware of their obligation to report suspected Fraud and Corruption and can do so without fear of retaliation.

Regional Directors

- 3.8. Regional Directors are responsible and accountable for ensuring that:
 - 3.8.1 All measures aimed at preventing and detecting Fraud and Corruption are in place.
 - 3.8.2 The internal control framework, including all measures aimed at preventing, detecting, and responding to Fraud and Corruption, is functioning effectively including adequate segregation of duties and delegations of authority necessary to prevent Fraud and Corruption.
 - 3.8.3 All Staff and Affiliate Personnel comply with this Policy.
 - 3.8.4 All reasonable suspicions of Fraud and Corruption are promptly reported.

Anti-Fraud Officer (AFO)

- 3.9. The AFO is responsible for: (a) designing, coordinating and overseeing the systems to mitigate Fraud and Corruption risks; (b) advising senior management on implementation of this Policy; and (c) leading anti-Fraud and Corruption training and other awareness-raising activities, including developing:
 - 3.9.1 anti-Fraud and Corruption training at Headquarters, Regional and Country Offices;
 - 3.9.2 Fraud and Corruption risk assessments; and
 - 3.9.3 Fraud and Corruption risk mitigation and monitoring plans.
- 3.10. Further, the AFO develops and disseminates to Country and Regional Offices and relevant Headquarter Offices lessons learned from risk assessments, assurances activities, and OIAI internal audits, investigations and pro-active reviews; and ensures that lessons learned are incorporated into trainings, Fraud and Corruption risk assessments and Fraud and Corruption risk mitigation and monitoring plans.

- 3.11. The AFO also engages with other United Nations agencies for information sharing, including on best practices for anti-Fraud and Corruption.

Comptroller

- 3.12. The Comptroller, on behalf of the Executive Director, is responsible for administering the UNICEF Financial Regulations and Rules.
- 3.13. The Comptroller ensures that the financial resources entrusted to UNICEF are safeguarded.

Chief Risk Officer (CRO)

- 3.14. The CRO supports with overall risk management methodology, governance and advice, ensures inclusion of Fraud and Corruption risk in an integrated approach to risk management, and facilitates risk appetite discussions on how to best balance Fraud and Corruption risk within the broader risk portfolio.

Audit Advisory Committee (AAC)

- 3.15. The AAC promotes the understanding and effectiveness of the audit, investigations and ethics functions as they relate to this Policy, and provides a forum to discuss internal controls, Fraud and Corruption, and ethics matters.

Director of the Division of Data, Analytics, Planning and Monitoring (DAPM)

- 3.16. The Director of DAPM ensures that relevant anti-Fraud and Corruption provisions are embedded into partnership and programme implementation-related regulatory content and tools; and ensures robust due diligence, capacity building, assurance activities and spot checks in relation to relevant Implementing Partners.

Director of the Ethics Office

- 3.17. The Director of the Ethics Office has specific responsibilities, including under the UNICEF Policy on Whistle-Blower Protection Against Retaliation, for ensuring protection against retaliation for reporting Fraud and Corruption, and for cooperating with duly authorized audits, investigations and other oversight activities.

Director of Division of People and Culture (DPC)

- 3.18. The Director of DPC is responsible and accountable for developing and overseeing implementation of and compliance with Staff- and Affiliate Personnel-related policies, procedures and guidance to ensure fairness in the selection process, staffing and standards of employment. The Director DPC ensures coordination with the CRO and the AFO to identify Fraud and Corruption risks and develop mitigation and prevention measures within DPC's area of responsibility, as necessary. The Director DPC also ensures that awareness raising activities and training for Staff and Affiliate Personnel on anti-Fraud and Corruption measures are supported.

Director of Global Shared Services Centre (GSSC)

- 3.19. The Director of GSSC is responsible for ensuring that background verifications of Staff in the International Professional (IP) and National Professional Officers (NO) categories are conducted and for transaction level monitoring to identify patterns and anomalies indicative of Fraud and Corruption risks, providing regular reports to the Comptroller, Regional Directors and other Headquarter Directors, and to OIAI as required.

Chief Legal Counsel

- 3.20. The Chief Legal Counsel advises on the interpretation of this Policy, creates and clears agreements and contracts including anti-Fraud and Corruption provisions, addresses questions concerning the terms and conditions of contractual agreements, and manages the process for making criminal referrals to national authorities.

Director of the Office of Internal Audit and Investigations (OIAI)

- 3.21. The Director of OIAI oversees the intake, assessment and investigation of allegations of Fraud and Corruption and other forms of misconduct and wrongdoing. OIAI is the only office authorized to conduct such investigations, operating in accordance with its Charter.
- 3.22. Further, the Director of OIAI ensures that high-risk operations are periodically reviewed, including through pro-active reviews, and closely liaises with Country Offices on the initiation, conduct and outcome of forensic special audits where allegations of Fraud and Corruption have been raised.
- 3.23. In addition, the Director of OIAI oversees the independent internal audit activities of the organization. Internal audit performs a critical preventative and assurance role in the organization's anti-Fraud and Corruption framework, including auditing the implementation of and adherence to this Policy.

Director of the Public Partnership Division (PPD)

- 3.24. The Director of PPD ensures there is proper coordination with respect to the communications with public sector Resource Partners concerning matters that fall under this Policy and obtains the clearance of OIAI, and, as relevant, coordinates with DFAM, before informing public sector Resource Partners of specific incidents. Such engagement is directed by applicable UNICEF regulatory framework requirements.

Director of Private Fundraising and Partnerships (PFP) Division

- 3.25. The Director of PFP ensures there is proper coordination with respect to the communications with private sector Resource Partners concerning matters that fall under this Policy and obtains the clearance of OIAI, and, as relevant, coordinates with DFAM, before informing private sector Resource Partners of specific incidents. Such engagement is directed by applicable UNICEF regulatory framework requirements.

Director of Supply Division (SD)

- 3.26. The Director of Supply Division is responsible and accountable for:
- 3.26.1 Identifying opportunities to enhance Fraud and Corruption prevention and detection in UNICEF's supply chain engagements;
 - 3.26.2 Supporting appropriate systems for the efficient and effective implementation of this Policy and related regulatory content. Details are set out in supply-related regulatory framework documents; and
 - 3.26.3 Ensuring there are proper controls in place to maintain the highest level of accountability, integrity and ethical standards and mechanisms for risk-based screening and evaluation of UNICEF Vendors.

Deputy Executive Director (DED) Management

- 3.27. The DED Management has the overall responsibility for ensuring implementation of this Policy.
- 3.28. The DED Management makes final decisions on recommendations from the Implementing Partner Review Board concerning Implementing Partners, including on the imposition of sanctions and/or remedial measures in accordance with the Procedure on Imposition of Sanctions and Remedial Measures on Implementing Partners.

Executive Director

- 3.29. The Executive Director is the chief executive officer of the organization. She or he provides the leadership which promotes integrity, ethics and other factors which are necessary for a robust control environment. As per Regulation 12.1(d) of the Financial Regulations and Rules, the Executive Director is responsible for maintaining an internal financial control system.

Implementing Partners and Vendors

- 3.30. Implementing Partners and Vendors are responsible for ensuring that UNICEF resources are safeguarded and used for their intended purposes.
- 3.31. Appropriate provisions are to be included in all agreements with Implementing Partners and Vendors, requiring them to represent and warrant that they and those representing them:
 - 3.31.1 Are familiar with UNICEF's Anti-Fraud and Corruption Policy and understand and acknowledge that UNICEF takes Fraud and Corruption seriously and will act on all reasonable suspicions of Fraud and Corruption, or any attempts thereof, consistent with this Policy;
 - 3.31.2 Are not currently sanctioned for Fraud and Corruption and have not been convicted of a criminal offense;
 - 3.31.3 Have satisfied the necessary compliance requirements if previously sanctioned for Fraud and Corruption;
 - 3.31.4 Have not, and will not, engage in any Fraud and Corruption;
 - 3.31.5 Have in place appropriate measures to mitigate the risk of Fraud and Corruption and will provide such measures to UNICEF in advance of entering into a contract;
 - 3.31.6 Will adhere to all applicable UNICEF regulatory framework documents and codes of conduct;
 - 3.31.7 Will communicate this Policy to their officers, employees, contractors, subcontractors, agents and affiliates;
 - 3.31.8 Will include appropriate anti-Fraud and Corruption provisions in their agreements with any subcontractors, agents or affiliates involved in the implementation of any project funded by UNICEF;
 - 3.31.9 Will promptly report any reasonable suspicions of Fraud and Corruption to UNICEF;
 - 3.31.10 Will fully cooperate with any investigation or other inquiry undertaken by OIAI or its agents, including by allowing OIAI or its agents to access and inspect its premises and to have access to any records, documents or other information deemed relevant by OIAI or its

agents, or will conduct any investigative activity into allegations of Fraud and Corruption when directed to do so by OIAI or other UNICEF office; and

- 3.31.11 Understand and acknowledge that any breach of this Policy may lead to termination of their agreement and the imposition of sanctions and/or remedial measures, including recovery of UNICEF funds.

Section IV: Scope

Fraud and Corruption Risk Management Process

- 4.1. Mitigating the risk of Fraud and Corruption comprises the following actions:
 - 4.1.1 Having in place a robust control environment;
 - 4.1.2 Conducting anti-Fraud and Corruption risk assessments; and
 - 4.1.3 Undertaking regular monitoring activities.
- 4.2. The objective of these actions is to enable UNICEF to identify Fraud and Corruption risks and mitigating actions to prevent, deter and detect Fraud and Corruption.

Control Environment

- 4.3. UNICEF has adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Integrated Framework as prescribed by the International Organization of Supreme Audit Institutions (INTOSAI) Guidelines for Internal Control Standards for the Public Sector.
- 4.4. The purpose of UNICEF's internal control framework is to provide reasonable assurances that a number of objectives are satisfied, including that UNICEF is safeguarding assets from inappropriate use, loss and damage due to waste, abuse, mismanagement, errors, Fraud and Corruption and irregularities.
- 4.5. UNICEF's control environment is strengthened by having clearly defined anti-Fraud and Corruption roles and responsibilities as reflected in Section III of this Policy.
- 4.6. It is further strengthened by demonstrating a commitment to integrity and ethical values and providing:
 - 4.6.1 An explicit prohibition on Fraud and Corruption;
 - 4.6.2 An anti-Fraud and Corruption tone at the top of the organization;
 - 4.6.3 A well-articulated decision-making process; and
 - 4.6.4 Relevant anti-Fraud and Corruption standards.
- 4.7. Due diligence, a Fraud and Corruption hotline, training and accountability mechanisms are also essential elements of UNICEF's control environment.

Decision-Making Process

- 4.8. An important control activity is the segregation of duties and responsibilities in the decision-making process as well as having appropriate authority and respecting UNICEF's regulatory framework.
- 4.9. VISION facilitates the segregation of duties through the assignment of roles and responsibilities. Heads of Office are responsible for role assignments within their offices.
- 4.10. The decision-making process is further enhanced by regularly incorporating into the framework lessons learned from annual and periodic Fraud and Corruption risk assessments, assurance activities and OIAI internal audits, investigations and pro-active reviews.

Due Diligence

- 4.11. Staff and Affiliate Personnel: Approving authorities and/or hiring managers along with their designated business partners must conduct due diligence of Staff and Affiliate Personnel.
- 4.12. Vendors: Contracting offices including the Supply Division must conduct adequate due diligence of Vendors.
- 4.13. Implementing Partners: Country Offices, Regional Offices or DAPM, as relevant, must conduct due diligence of relevant Implementing Partners.
- 4.14. Private Sector Partners: PFP is responsible for conducting due diligence of prospective private sector partners.
- 4.15. Anti-Fraud and Corruption due diligence should include some or all of the following actions:
 - 4.15.1 Consulting with the Supply Division to obtain business intelligence;
 - 4.15.2 Analyzing Vendors' financial statements to have an indication of their financial performance and financial health situation;
 - 4.15.3 Maintaining, reviewing and sharing electronic databases of registered Vendors and Implementing Partners across the Organization;
 - 4.15.4 Checking public debarment databases;
 - 4.15.5 Checking with other UN agencies on the performance of Vendors and IPs, if applicable;
 - 4.15.6 Performing background checks where relevant and practical to do so; and
 - 4.15.7 Conducting open-source research for comments, feedback, reviews, social media activity and news articles that may indicate 'red flags' of Fraud and Corruption.

Reporting through the OIAI hotline

- 4.16. Pursuant to UNICEF's regulatory framework requirements, all reasonable suspicions of Fraud and Corruption must be reported to OIAI as soon as possible.
- 4.17. This may be done through OIAI's hotline (integrity1@unicef.org). All reports through the hotline are treated as confidential. Reports can be made anonymously.

- 4.18. Staff and Affiliate Personnel may apprise their management of reasonable suspicions of Fraud and Corruption unless they have concerns that the allegations are of such a sensitive nature that apprising management could compromise an investigation.

Accountability

- 4.19. UNICEF ensures that appropriate and timely actions are taken for those found to have engaged in Fraud and Corruption. Appropriate and timely actions demonstrate UNICEF's commitment to integrity and ethical values and reinforces its zero tolerance for inaction against Fraud and Corruption.
- 4.20. For Staff, disciplinary measures may be imposed for Fraud and Corruption or other forms of misconduct pursuant to the UNICEF Policy on the Disciplinary Process and Measures.
- 4.21. Wrongdoing on the part of Affiliate Personnel is addressed in accordance with the terms and conditions of their contracts.
- 4.22. For Implementing Partners, the Implementing Partner Review Board recommends sanctions and/or remedial measures for the final decision of DED Management in line with its role as set out in the Procedure on Imposition of Sanctions and Remedial Measures on Implementing Partners.
- 4.23. Sanctions may also be imposed on Vendors under the UNICEF Procedure on Vendor Registration and Management.
- 4.24. Credible allegations or findings of Fraud and Corruption should be referred to national authorities when appropriate under the guidance of the Chief Legal Counsel.
- 4.25. Fraud and Corruption concerns involving a National Committee should be promptly reported as per the National Committee's own established reporting mechanisms. When UNICEF receives a report of Fraud and Corruption concerns involving a National Committee, including in relation to an individual working in or associated with a National Committee, UNICEF will promptly refer the case to the relevant National Committee to be dealt with by the National Committee in accordance with its regulations and national legal requirements.

Fraud and Corruption Risk Assessments

- 4.26. Fraud and Corruption risk assessments must be designed to identify and evaluate Fraud and Corruption risk factors that could enable Fraud and Corruption to occur within UNICEF's programmes and operations.
- 4.27. Heads of Operations must conduct Fraud and Corruption risk assessments in coordination with the AFO as part of annual risk assessments and at intervening points during the year on an ad hoc basis to assess the effectiveness of the controls in place and to make any necessary revisions to the controls.
- 4.28. Heads of Operations should also conduct ad hoc Fraud and Corruption risk assessments particularly when an operation or programme undergoes a major change, when integrity concerns arise or when the risk landscape changes more generally.
- 4.29. Heads of Operation must give due importance to the identification of Fraud and Corruption risks to ensure that funds are being used for the purposes intended and to minimize the risk of reputational harm.
- 4.30. Fraud and Corruption risk assessments should evaluate risk factors unique to the programme or operation, such as:

- 4.30.1 the number, frequency and type of allegations raised;
 - 4.30.2 the size, nature of the UNICEF programme and overall internal control environment;
 - 4.30.3 UNICEF's operating environment; and
 - 4.30.4 the results of assurance activities, OIAI internal audits, investigations and pro-active reviews.
- 4.31. Consideration should be given to conditions that create an incentive or opportunity to engage in Fraud and Corruption as well as typical schemes that arise in specific countries, regions or industries.
 - 4.32. The Fraud and Corruption risks identified are prioritized for action by the Head of Operations and escalated as appropriate according to the type of risk, the likelihood that the risk will materialize and impact, the significance and likely pervasiveness of the risk and whether a high-risk programme or operation is specifically funded by particular Resource Partner(s).
 - 4.33. A determination is thereafter made by the Head of Operations or other appropriate UNICEF official to whom the matter is escalated whether existing controls can mitigate the risk of Fraud and Corruption from occurring, or whether there is a need to design and implement additional anti-Fraud and Corruption controls to address the identified risks.
 - 4.34. Elements that comprise the Fraud and Corruption risk assessment are updated regularly by the AFO to reflect changes in UNICEF's operations as well as lessons learned from its monitoring activities.

Monitoring

- 4.35. Fraud and Corruption risks and corresponding internal controls require regular monitoring to identify 'red flags' and strengths, weaknesses, gaps and inconsistencies in the system as well as in UNICEF's programmes and operations. The information obtained through monitoring activities is used to improve anti-Fraud and Corruption controls and is fed back into the annual risk assessments. The objective is to adapt controls continually proportionate to the level of risk of Fraud and Corruption.
- 4.36. Monitoring must be conducted by the Heads of Operations (through assurance activities, such as programmatic visits, spot checks, scheduled and special audits), by the Comptroller (through periodic review of high-risk areas) and the Director of GSSC (through transaction level monitoring).
- 4.37. Heads of Office must ensure that all potential Fraud and Corruption risks are fully considered in the design of high-risk programmes and operations and that tailored control measures are put in place to mitigate the risk of Fraud and Corruption, noting that information on risks may be communicated to relevant stakeholders, including Resource Partners, together with an assessment of the extent to which the risks can be mitigated.
- 4.38. The AFO is responsible for ensuring that lessons learned from risk assessments, assurances activities, and OIAI internal audits, investigations and pro-active reviews are memorialized and used to update this Policy and related regulatory content.

Section V: Exceptions

- 5.1. Exceptions to the provisions of this Policy require the approval of the Executive Director and must follow the requirements set out in the UNICEF Policy on the Regulatory Framework and the processing steps set out in the UNICEF Procedure on the Regulatory Framework.

Section VI: Delegations

- 6.1. There are new delegations of authority within the present Policy which are currently not reflected in the Table of Delegated Authorities. The additional delegation is as follows:
 - 6.1.1 The Executive Director delegates the authority to the DED Management to make final decisions on recommendations from the Implementing Partner Review Board, including on the imposition of sanctions and/or remedial measures on IPs and related decisions, in accordance with this Policy and the Procedure on Imposition of Sanctions and Remedial Measures on Implementing Partners.

Section VII: Transition Arrangements

- 7.1. All Staff and Affiliate Personnel must comply with this Policy as of the Effective Date, noting that Divisions have until 1 January 2026 to update existing templates, agreements, terms and conditions and other documents, as relevant, and take appropriate steps in collaboration with Legal to ensure compliance with this Policy.
- 7.2. The Executive Director shall ensure the establishment of the AFO not later than 6 months following the issuance of this Policy.

Section VIII: Annexes

- 8.1. None.

Section IX: Related Documents

- 9.1. [UNICEF Policy on the Disciplinary Process and Measures.](#)
- 9.2. [UNICEF Financial and Administrative Policy 1: Internal Controls.](#)
- 9.3. [UNICEF Financial and Administrative Policy 1: Internal Controls; Supplement 2: Segregation of Duties.](#)
- 9.4. [UNICEF Policy on Enterprise Risk Management.](#)
- 9.5. [UNICEF Procedure on the Contracts Review Committee.](#)
- 9.6. [UNICEF Procedure on Vendor Registration and Management.](#)
- 9.7. [UNICEF Procedure on Programme Implementation: Work Planning, Partnerships and Risk Management.](#)
- 9.8. [UNICEF Policy on Whistle-Blower Protection Against Retaliation.](#)

Section X: Other Provisions

- 10.1. This Policy supersedes the Policy Prohibiting and Combatting Fraud and Corruption (CF/EXD/2013-008, 29 August 2013) and the Anti-Fraud Strategy (2018).