2018 ANNUAL REPORT

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OIAI 2018 Annual Report – UNICEF for every child
THE OFFICE OF INTERNAL AUDIT AND INVESTIGATIONS

Key component of the UNICEF oversight framework

➢ Provides independent and objective audits, investigations and advisory services to help achieve efficiency, effectiveness and economy in the delivery of organizational Mandate

➢ Establishes facts in respect of allegations of misconduct and hold staff and implementing partners accountable for fraud and other misconducts
The overall satisfactory assurance opinion on the UNICEF framework of governance, risk management and control process addresses the Board’s decision and is anchored in:

- Risk-based work planning process carried without interference from management
- 17 audit reports
  - 13 country offices that account for more than 23% programme expenditure, some of which were operating in challenging environments and associated with elevated risks to effective, efficient and economical delivery of results for children
  - 3 functions/operations considered as critical to all offices across the organization
  - One special audit
- Non discovery of material deficiencies in the overall organization framework of governance, risk management and control
- 82% of audits resulted in overall satisfactory rating
- Historically high implementation rate of agreed actions that underscores management’s commitment to constantly improve governance, risk management and control processes
PROFESSIONAL STANDARDS AND NETWORK

**Professional standards**
- International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors
- Uniform Principles and Guidelines for Investigations
- Due-process principles stipulated in chapter X of the United Nations Staff Regulations and Rules

**Network**
- The United Nations Representatives of Internal Audit Services (UN-RIAS)
- Conference of International Investigators
- United Nations Board of Auditors
- UNICEF and donors’ oversight bodies
- 90% of our internal staff are members of professional organizations such as IIA, AICPA, FCCA, ISACA
## Audit Quality and Performance

### Key Performance Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage</th>
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<tr>
<td>✓ Public disclosure</td>
<td>100% / 100%</td>
</tr>
<tr>
<td>✓ Delivery of a risk-based workplan</td>
<td>85% / 90%</td>
</tr>
<tr>
<td>✓ Client feedback of ‘generally satisfactory’</td>
<td>100% / 100%</td>
</tr>
<tr>
<td>✓ Timeliness of internal audit reporting</td>
<td>69% / 90%</td>
</tr>
<tr>
<td>✓ Timeliness for investigations</td>
<td>82% / 75%</td>
</tr>
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</table>

### Quality Assurance and Improvement Programme

#### Periodical External Quality Assessment

- ✓ Public disclosure

#### Client Feedback

- ✓ Delivery of a risk-based workplan
- ✓ Client feedback of ‘generally satisfactory’
- ✓ Timeliness of internal audit reporting
- ✓ Timeliness for investigations

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OVERVIEW OF INVESTIGATION CASELOAD

226 investigations cases managed, representing a 95 per cent increase compared to 2017

178 allegations that merit investigation received in 2018, an average increase of 44% compared to 2016 & 2017 combined

48 cases carried over from the previous year

178 allegations that merit investigation

<table>
<thead>
<tr>
<th>Category</th>
<th>Cases</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Harassment and abuse of authority</td>
<td>62</td>
<td>35%</td>
</tr>
<tr>
<td>Sexual harassment</td>
<td>29</td>
<td>16%</td>
</tr>
<tr>
<td>Inappropriate staff conduct</td>
<td>13</td>
<td>7%</td>
</tr>
<tr>
<td>Fraud and forgery</td>
<td>22</td>
<td>12%</td>
</tr>
<tr>
<td>Others</td>
<td>52</td>
<td>29%</td>
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77 of 93 cases (82%) closed within 9 months
RESOURCES DEPLOYED

Approved internal auditing resources were generally appropriate and sufficient and were effectively deployed to deliver the risk-based audit work-planning.

Budget of $7.01 million, of which 97 per cent had been expended by year end.

65% authorized posts were deployed – an equivalent of 13 of 20 internal audit and 7 of 11 investigations posts.

- At the start of 2018, there were 37 authorized posts of which 11 were vacant.
- The post for Director felt vacancy during the year (13 July).
- In October, the ED authorized 4 additional posts bringing the total number of posts 41.
STRATEGIC ROADMAP

The Office will continue to develop its capacity and capabilities to meet UNICEF's assurance and integrity needs in 2019 and beyond:

✓ Sharp focus on what really matters - including value for money, fraud risk, ICT and cybersecurity, and data protection

✓ Review and streamline processes

✓ Review of the Office structure and its physical location within the Organization.

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Thank You

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