

EXECUTIVE DIRECTIVE

CF/EXD/2013-008

29 August 2013

TO: Regional Directors and Deputy Regional Directors
Representatives and Deputy Representatives
Directors: Brussels, Copenhagen, Florence and Tokyo
Directors/Deputy Directors, New York Headquarters
Section Chiefs, New York Headquarters
All UNICEF Staff

From: Anthony Lake (*signed*)
Executive Director

Subject: **Policy Prohibiting and Combatting Fraud and Corruption**

UNICEF's re-stated Policy Prohibiting and Combatting Fraud and Corruption is hereby issued.

This document replaces CF/EXD/2006-009 UNICEF's Anti-Fraud Policy.

The policy outlined in this document is an elaboration of the principles set out in the Charter of the United Nations, the United Nations Staff Regulations and Rules, and "The Standards of Conduct for the International Civil Service" (1954, revised 2001). It is part of a broad range of UNICEF policies and procedures that are designed, as a whole, to ensure that we are responsible stewards of voluntarily-contributed money and of the funds we hold in trust in our special accounts. I know we are all proud of the dedication of our staff to our mission and to each other. Trust in each other, and the trust placed in us by others, is based on our individual and collective integrity.

It is important to recall that the Charter identifies integrity as a paramount consideration in the selection of staff members. Managers must place emphasis on integrity as a selection criterion during the selection processes, in accordance with Human Resources Staff Selection Policy (CF/EXD/2009-008). Similar high standards must apply to the selection of consultants and other non-staff personnel. Once appointed, UNICEF staff members must act with the highest standards of ethical conduct, as prescribed in the Charter, the Declaration made by staff members upon taking up their appointment, the United Nations Staff Regulations and Rules, the "Standards of Conduct" document, and relevant policies and procedures of UNICEF. All UNICEF staff members must preserve their independence from any Government or other source external to UNICEF and their impartiality in discharging their official functions, and must avoid conflicts of interest; compliance with the requirements of the Financial Disclosure programme is especially important.

UNICEF managers have a special obligation to promote a culture of ethics in the Organisation through leading by example. To help mitigate risks of fraud they are also required to be familiar with the types of fraud that might occur within their area of responsibility, in the particular environment in which they are operating – and to be alert for any "red flags" that might indicate irregularity. Managers are required to comply with UNICEF's Enterprise Risk Management (ERM) policy and to conduct a risk and control self-assessment (RCSA).

POLICY PROHIBITING AND COMBATTING FRAUD AND CORRUPTION

Section 1

Preliminary Provisions

General Introduction

This restatement of UNICEF's Policy Prohibiting and Combatting Fraud and Corruption re-affirms UNICEF's long-standing zero tolerance for all forms of fraud and corruption, and outlines the steps to be taken in response to good faith reports of possible fraud.

Applicability

Staff and Non-Staff Personnel

1.1 All staff members and non-staff personnel are required to comply with this Policy.

(a) A "staff member" is any person holding a Letter of Appointment to UNICEF signed under the authority of the UNICEF Executive Director.

(b) "Non-staff personnel" includes any person who is working with UNICEF as a United Nations Volunteer, under Stand-by Personnel arrangements in emergencies, under a reimbursable loan, internship, through an employment agency, or any similar arrangement; it does not include staff members or individual consultants or contractors.

Vendors (including Consultants) and Civil Society Implementing Partners

1.2 UNICEF individual consultants and contractors are expected to maintain the highest standard of conduct in connection with their engagement with UNICEF. A commitment to the highest ethical standards is a major consideration in the selection of individual consultants and contractors at UNICEF.

1.3 UNICEF vendors (including institutional consultants) and civil society implementing partners are expected to adopt and enforce robust policies combatting fraud and corruption. Those policies are expected to be no less stringent than this Policy.

UNICEF National Committees

1.4 UNICEF National Committees, which present and promote the work of UNICEF in their respective countries, are expected to adopt and enforce robust policies combatting fraud and corruption. Those policies are expected to be no less stringent than this Policy.

Definitions

1.5 In this Policy, "fraud" means the actual or attempted use of deceit, falsehood, or dishonest means (including willful omission) to secure direct or indirect financial or material gain, personal advantage or other benefit, and includes fraudulent conduct, corrupt conduct, collusive conduct, coercive conduct, and obstructionist conduct (as defined below). It includes attempted fraud (even if unsuccessful).

(a) "Fraudulent conduct" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial or other benefit or to avoid an obligation;

(b) “Corrupt conduct” is the offering, giving, receiving, or soliciting (in each case, directly or indirectly) anything of value in order to influence improperly the actions of another party;

(c) “Collusive conduct” is the proposing or entering into an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;

(d) “Coercive conduct” is the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party in order to influence the actions of that party or another; and

(e) “Obstructive conduct” is (i) any act which deliberately and in an effort to compromise an investigation, destroys, falsifies, alters or conceals information or documents that may be relevant to a fraud and corruption investigation, or material that could become evidence as a result of such investigation; or (ii) the making of false statements to investigators during such an investigation.

Section 2

Policy against Fraud

2.1 UNICEF staff members and non-staff personnel are not to engage in fraud.

2.1(a) Fraud against UNICEF will constitute misconduct and will be grounds for dismissal. It may lead to actions to recover any losses sustained by UNICEF as a result of such fraud (including referral to law enforcement authorities).

2.1(b) Fraud against others will also constitute misconduct, being conduct unbecoming of an international civil servant, and will also be grounds for dismissal.

2.2 UNICEF vendors (including individual consultants and contractors, and institutional consultants) and civil society implementing partners are not to engage in fraud.

2.2(a) Fraud against UNICEF will constitute grounds for termination of the relationship with UNICEF. It may lead to actions to recover any losses sustained by UNICEF as a result of such fraud (including referral to law enforcement authorities). UNICEF will maintain a list of vendors (including individual consultants and contractors, and institutional consultants) and civil society implementing partners terminated for fraud and will make this list available to other United Nations System organisations.

2.2(b) Fraud against others may disqualify such vendor (including individual consultants and contractors, and institutional consultant) or civil society implementing partner from further engagements with UNICEF.

2.3 UNICEF expects that National Committees for UNICEF and their staff will not engage in fraud. National Committee leadership is expected to fully implement anti-fraud policies, take strong action to prevent fraud within the National Committee, and to recover any losses sustained by reason of fraud on the part of their staff, consultants, or vendors.

2.4 UNICEF will investigate all credible allegations of fraud involving UNICEF. Where fraud is established UNICEF will determine the appropriate steps to take in response, including possible dismissal or sanctioning of staff or non-staff personnel, exercising termination and other contractual rights against external

parties, and recovery of losses. UNICEF, through established United Nations procedures, will refer cases to law enforcement authorities where it determines a referral is appropriate.

Section 3

Reporting Procedures and Subsequent Actions

Reporting

3.1 UNICEF staff and non-staff personnel are required to report all reasonable suspicions of fraud involving UNICEF to the Director, Office of Internal Audit and Investigations as soon as possible.

3.2 UNICEF vendors (including individual consultants and contractors, and institutional consultants) and civil society implementing partners, and UNICEF National Committees, are also required to report good faith suspicion of fraud involving UNICEF to the Director, Office of Internal Audit and Investigations as soon as possible.

3.3 Reports to the Director, Office of Internal Audit and Investigations can be made in any of the following ways depending on who is making the report: (a) to the Head of the relevant UNICEF Office or to one's supervisor at UNICEF, who must then refer the matter to the Director, Office of Internal Audit and Investigations, New York Headquarters; (b) directly to the Director, Office of Internal Audit and Investigations, New York Headquarters; and (c) by email to integrity1@unicef.org (which is monitored by the Office of Internal Audit and Investigations). Reports must be as thorough and specific as possible.

3.4 Reports must be made in good faith. Making a false or malicious allegation is not permitted or protected, and may result in disciplinary action (in the case of staff), or termination of contract for cause (in all other cases).

3.5 Reports can be made anonymously, though anonymous reports that lack specific details will be reviewed but may not be pursued further after that if the report does not include sufficient supporting material.

Protection of "Whistle blowers" against Retaliation

3.6 To encourage reporting of fraud, UNICEF has a policy protecting "whistle-blowers" to ensure that those reporting good faith suspicions of fraud involving UNICEF are not penalised or retaliated against for doing so. The policy is set out in UNICEF Executive Directive CF/EXD/2007-005 rev. 1. It is administered by the UNICEF Ethics Office, New York Headquarters. UNICEF expects its institutional consultants and contractors, suppliers and vendors, and civil society implementing partners, and UNICEF National Committees, to have similar appropriate "whistle-blower" policies in place.

Investigations of Possible Fraud

3.7 The Director, Office of Internal Audit and Investigations will determine whether reports of fraud involving UNICEF are frivolous or non-frivolous.

3.8 Non-frivolous allegations either (a) that a UNICEF staff member or non-staff personnel has engaged in fraud, or (b) of fraud involving UNICEF, will be investigated under the authority and supervision of the Director, Office of Internal Audit and Investigations in accordance with the standard investigation protocols of that Office. That Office may also initiate an investigation of possible fraud on its own determination, including as a result of an internal audit exercise. Non-frivolous allegations against any Government official will be referred by UNICEF to the appropriate authorities within the Government in question with a request for follow up action.

3.9 All staff members and non-staff personnel, and individual consultants and contractors, are required to cooperate fully with investigations by UNICEF. UNICEF vendors and civil society implementing partners, and UNICEF National Committees, are required to ensure that their personnel and agents (including their attorneys, accountants, and other advisers) also cooperate fully with such investigations.

Follow-up Action

3.10 UNICEF will take appropriate action, in the circumstances of each case, where it determines that a staff member or non-staff personnel has engaged in fraud, and where it determines there has been fraud involving UNICEF. Actions can include dismissal or termination of relationship with UNICEF and reasonable efforts to recover financial losses by way of (for example) internal administrative proceedings, and contractual claims for recovery. Referrals to Member State law enforcement authorities for criminal investigation will be made in appropriate situations, including in accordance with relevant General Assembly resolutions in the case of criminal conduct by UNICEF staff members or individual consultants.

Section 4

Disclosure; Confidentiality; Public Statements

4.1 Fraud cases investigated by UNICEF will be reported to the UNICEF Executive Board in the annual report to the UNICEF Executive Board by the Director, Office of Internal Audit and Investigations. The Director, Office of Internal Audit and Investigations, will provide additional reports to the UNICEF Executive Board, through in-person briefings of the Bureau of the UNICEF Executive Board, during the course of the year, as he or she deems appropriate, or in response to requests for such a briefing from the President of the UNICEF Executive Board.

4.2 The report of UNICEF's investigation of such reports of fraud is a confidential document; neither the report, nor any summary of the report, will be disclosed other than to law enforcement in the case of any referral to law enforcement.

4.3 UNICEF may decide to make public disclosure of the fact that it has received reports indicating it may have been the victim of fraud and of the status of any response to such reports.

4.4 All disclosures relating to reports that UNICEF may have been the victim of fraud and the status of UNICEF's response (including reports to the UNICEF Executive Board and Member States generally) will be made in accordance with the following principles:

(a) In order to ensure the probity of any investigation of possible fraud, to maximise the prospect of recovery of funds, and to respect the due process rights of all involved, information relating to reports of fraud and investigation and handling of such reports is to be treated confidentially and with utmost discretion even within UNICEF.

(b) All disclosure of information will be subject to the UNICEF Information Disclosure Policy and relevant decisions of the UNICEF Executive Board.

Section 5
Final Provisions

- 5.1 This Executive Directive enters into force on the date of its issuance.
- 5.2 UNICEF Executive Directive CF/EXD/2006-009, “UNICEF’s Anti-Fraud Policy”, is hereby abolished.
- 5.3 The implementation of this Policy will be subject to any relevant decisions of the UNICEF Executive Board.

(signed) Anthony Lake
Executive Director