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UNICEF Office of Internal Audit and Investigations 2018 annual report to the Executive Board

Summary

This report provides information on the activities of the Office of Internal Audit and Investigations (OIAI, or the Office) during the year ended 31 December 2018. It describes the key results of its internal audit, investigations and advisory work during 2018.

Pursuant to Executive Board decisions 2015/11, 2017/10 and 2018/12, the report contains the Office's overall opinion, on the basis of work undertaken, on the adequacy and effectiveness of the organization's framework of governance, risk management and control, together with the criteria and analysis to support the opinion, summaries of its work and rationale to aid the Board's understanding of the functioning of key UNICEF processes.

A draft decision is contained in section XIII of the report. The management response to the OIAI report is presented separately, as requested by the Executive Board in decision 2006/18. The annual report of the UNICEF Audit Advisory Committee for 2018 is available on the Executive Board website.

* [E/ICEF/2019/9](#).



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I. Executive summary

1. The Office of Internal Audit and Investigations (OIAI, or the Office) is mandated to provide independent and objective assurance and advisory services that add value and improve the effectiveness and efficiency of the operations of UNICEF.

2. In accordance with Executive Board decision 2015/11, this report contains the Office's overall assurance opinion, based on the scope of work undertaken, on the adequacy and effectiveness of the UNICEF framework of governance, risk management and controls. In the opinion of OIAI, this framework remained generally satisfactory during 2018. The report also describes the criteria and analysis to support the opinion, summaries of the Office's work and rationale to aid the Board's understanding of the functioning of key UNICEF processes.

3. In 2018, the Office issued 21 internal audit reports, with an additional 7 at various stages of reporting at year end. The Office also issued three advisory reports. The 2018 overall assurance opinion is based on 17 internal audit reports and does not consider the results of 4 internal audit reports issued in early 2018 that were considered in the Office's 2017 assurance opinion.

4. As part of its work, OIAI reviews the implementation of agreed actions to confirm that the management has appropriately addressed the residual risks identified. Overall, implementation rates for agreed actions remained generally satisfactory, with management continuing to take commendable steps towards the implementation of all unresolved actions. As at 31 December 2018, seven actions had been unresolved for more than 18 months.

5. The Office is also pleased to report that UNICEF remained compliant with Executive Board decision 2012/13 on the public disclosure of internal audit reports. For the 12 months ended 31 December 2018, all internal audit reports due for public disclosure had been published on the UNICEF website; no reports were withheld from publication during 2018.

6. In 2018, the Office managed 226 investigations cases, representing a 95 per cent increase in the number of cases compared to 2017, and closing 93 cases versus 69 in 2017.

7. Primarily due to vacancies, including the post of the Director that became vacant in July 2018, the Office had utilized only 65 per cent of its authorized posts in 2018 – an equivalent of 13 of 20 internal audit and 7 of 11 investigations posts. Following an intensive recruitment process during the last two quarters of 2018, the Office is now in a solid position to have all vacant posts filled by the second quarter of 2019.

II. Internal audit assurance opinion for 2018

Overall opinion

8. Management is responsible for establishing and maintaining effective internal control, governance and risk-management processes to ensure organizational objectives are achieved; OIAI is responsible for independently assessing the adequacy and effectiveness of such a framework.

9. In the opinion of OIAI, based on the scope of work undertaken, the UNICEF framework of governance, risk management and controls was generally adequate and effective.

Basis of opinion

10. The overall audit opinion is anchored in the following factors: planning and prioritization of assurance activities by OIAI; the fact that more than 80 per cent of assurance activities resulted in satisfactory conclusions on the audited governance, risk management and control processes; the satisfactory implementation rate of actions agreed to mitigate the risks identified; and the non-discovery by any of the completed audits of material deficiencies in the organization's overall framework of governance, risk management and controls that could diminish the achievement of significant outcomes globally.

11. **Planning and prioritization of assurance activities:** The Office used a risk-based methodology to plan and prioritize its assurance activities (see section VIII). This ensures that audit resources are directed towards the areas of greatest significance to UNICEF and, together with the broad audit coverage obtained during the year – as described below – helps the Office to draw an overall conclusion.

12. In 2018, the Office issued 21 internal audit reports, with an additional 7 at various stages of reporting at year end. The office also issued three advisory reports. The present overall assurance opinion is based on 17 internal audit reports and does not consider the results of 4 internal audit reports issued in early 2018 that were considered in the Office's 2017 assurance opinion.¹ The 17 audit reports comprised 13 reports on the audits of country offices, 3 reports on the thematic audits of operations being implemented at headquarters and field locations, and 1 special audit. The 13 country offices audited accounted for more than 23 per cent of UNICEF annual programme expenditure. Six of the 13 offices were associated with an elevated inherent risk to the effective and efficient delivery of results for children – they had some of largest yearly expenditures and operated in complex humanitarian situations. Additionally, the operations covered by the three thematic audits are critical to all offices across UNICEF.

13. **Material deficiencies:** Internal audit reporting by OIAI involves extensive consultations and collaboration with the management of an audited office. This helps to identify and secure agreement on appropriate and cost-effective actions to mitigate the risks identified by the audit. The actions are then rated high, medium or low priority, depending on the potential impact on the operations of the audited entity or UNICEF operations globally should the risks materialize. In practice, only high- and medium-priority actions are included in an audit report; low-priority actions are informally communicated to the management of the audited entity. While some of the audits completed in 2018 had identified high-priority actions, none of them sought to remediate any material deficiencies in the UNICEF overall framework of governance, risk management and control.

14. **Individual audit conclusions:** Based on the results of each audit, OIAI provides an overall conclusion on the establishment and operating effectiveness of the audited entity's systems of governance, risk management and control processes. The conclusion is either "unqualified", "moderately-qualified", "strongly-qualified" or "adverse". An adverse conclusion means that the audited entity's systems of governance, risk management and control processes need significant improvement in order to be regarded as adequately established and functioning effectively. A strongly-qualified conclusion means that the systems need improvement in order to be regarded as adequately established and functioning effectively. Both adverse and strongly-qualified conclusions are considered unsatisfactory. Moderately-qualified and unqualified conclusions are considered satisfactory and mean that, with the exception

¹ The Office reverted to the practice of basing its assurance opinion solely on internal audit reports issued during the calendar year covered by the annual report.

of any specific deficiencies noted, the audited entity's systems of governance, risk management and control processes are generally established and functioning.

15. As table 1 shows, 82 per cent of audit reports issued in 2018 (versus 70 per cent in 2017; and 77 per cent in 2016) contained the overall conclusion of either unqualified or moderately-qualified on the establishment and operating effectiveness of the audited entities' governance, risk management and control processes. Only one audit resulted in an adverse conclusion and two resulted in strongly-qualified conclusions. While acknowledging that a firm conclusion on the overall health of the organization's framework of governance, risk management and controls cannot be drawn from this single metric, we derive confidence in these results due to the broad coverage of the audits and the complexity and significance of risks involved in the audited operations. (See table 2 for the regional and thematic distribution of audit conclusions.)

Table 1
Comparison of audit report conclusions, 2016–2018

| | <i>Unqualified</i> | <i>Moderately-qualified</i> | <i>Strongly-qualified</i> | <i>Adverse</i> | <i>Unrated/Advisory</i> | <i>Total reports</i> | <i>Total reports rated</i> |
|-------------------|--------------------|-----------------------------|---------------------------|----------------|-------------------------|----------------------|----------------------------|
| 2018 | 2 | 12 | 2 | 1 | 0 | 17 | 17 |
| <i>% of total</i> | 12% | 70% | 12% | 6% | | | 100% |
| 2017 | 0 | 14 | 6 | 0 | 10 | 30 | 20 |
| <i>% of total</i> | 0% | 70% | 30% | 0% | | | 100% |
| 2016 | 4 | 13 | 3 | 2 | 1 | 23 | 22 |
| <i>% of total</i> | 18% | 59% | 14% | 9% | | | 100% |

16. **Implementation rate of agreed actions:** OIAI periodically assesses progress in the implementation of actions agreed by management and seeks to establish whether the actions taken are appropriate and adequate to mitigate the risks identified by the audits. These assessments are routinely conducted remotely, but occasionally during on-site visits, especially where an adverse conclusion had been made, or where a previously audited operation is being audited again due to changes in its risk profile.

17. The OIAI assessment of actions taken by management indicated that, overall, commendable efforts have been made in the timely implementation of agreed actions. While it is still too early for the actions agreed in the audit reports issued in 2018 to be fully completed,² the Office derives confidence from the historically high implementation rate of agreed actions. The implementation rate of audit recommendations as at 31 December 2018 was 99.6 per cent for reports issued in 2013; 100 per cent for reports issued in 2014; 99.4 per cent for reports issued in 2015; 99.3 per cent for reports issued in 2016; 95.4 per cent for reports issued in 2017; and 20.9 per cent for reports issued in 2018. At year end, there were only seven agreed actions pending implementation for more than 18 months from the dates of the respective final reports. In general, these actions require new policies to be issued and new systems to be rolled out. The implementation status of these actions are reported to the Executive Director on a quarterly basis. In 2018, the Executive Director continued to follow-up with concerned managers to expedite actions towards the closure of the long-outstanding recommendations.

² As at 31 December 2018, only 21 per cent of the agreed actions in the reports issued in 2018 had been implemented. A majority of these reports had been issued during the third and fourth quarters of 2018.

III. Mandate

18. The purpose, authority and responsibilities of the OIAI are defined in its Charter (May 2012), which was approved by the Executive Director. The OIAI mission is to provide independent and objective assurance and advisory services designed to improve the effectiveness and efficiency of the operations of UNICEF. Internal audits accomplish this by using a systematic, disciplined approach to assess whether the organization's governance, risk management and control processes provide reasonable assurance that:

- (a) Programmes, plans and business objectives have been achieved;
- (b) Resources have been acquired economically and used efficiently;
- (c) Assets have been safeguarded;
- (d) Activities have complied with significant regulations, rules, policies, procedures, directives, instructions and contracts; and
- (e) Financial, managerial, and operating information have been accurate, reliable and timely.

19. Investigations help UNICEF to foster accountability. This is accomplished through investigations to examine and determine the veracity of misconduct allegations, including sexual exploitation and abuse and sexual harassment and abuse, as well as fraudulent and corrupt practices involving UNICEF staff and third parties.

IV. Independence

20. In accordance with its mandate:

- (a) The OIAI Director continued to report and remained accountable to the Executive Director on the planning and execution of the Office's work.
- (b) The Executive Director ensured OIAI had the necessary staffing and budget to achieve its mission.
- (c) The Audit Advisory Committee (AAC) continued to provide independent advice to the Executive Director on the work of the Office.
- (d) The Office independently reports to the Executive Board on its findings and concerns.

21. The Office confirms that during 2018 it was free from management interference in determining the scope of its internal audit and investigations, performing its work and communicating its results.

V. Professional standards

22. The Office conducts its internal audit work in accordance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors, which were adopted for use by the United Nations Representatives of Internal Audit Services (UN-RIAS) in June 2002.

23. The Office maintains an internal quality assurance and improvement programme, which includes ongoing self-assessments of work done. It is also expected to undergo an external quality assessment in 2019, having completed a previous assessment in 2013.

24. The Office conducts investigations in accordance with the Uniform Principles and Guidelines for Investigations, which were endorsed by the 10th Conference of International Investigators in 2009, and in conformity with the due-process principles stipulated in chapter X of the United Nations Staff Regulations and Rules.

25. Pursuant to Executive Board decision 2018/12, the Office is pleased to report in annex III on its performance against key indicators.

VI. Professional network

26. The Office remained an active member of UN-RIAS, the Representatives of Internal Audit Services of the United Nations Organizations and Multilateral Financial Institutions, and other Associated Intergovernmental Organizations, and the United Nations Representatives of Investigative Services (UN-RIS).

27. In 2018, the Office attended UN-RIAS conferences and regularly participated in its activities to discuss matters of shared interest and further strengthen internal oversight services in the United Nations system.

28. The Deputy Director/Officer-in-Charge and another staff member of OIAI attended the annual UN-RIS conference in October 2018 and participated in the meeting of the Inter-Agency Standing Committee in November 2018 on strengthening investigative capacities across the United Nations system for dealing with allegations of sexual exploitation, abuse and sexual harassment. Under the auspices of UN-RIS, the Office has continued its commitment to the development of uniform principles and guidelines for investigations of allegations of sexual exploitation and abuse.

29. In 2018, the Office met with representatives of the United Nations Board of Auditors to coordinate work planning and high-level results to avoid gaps or overlaps in assurance coverage.

30. The Office engaged in formal and informal discussions with other internal oversight functions within UNICEF and donors' oversight bodies to promote cooperation and collaboration.

VII. Resources

31. In 2018, OIAI had a budget of \$7.01 million, of which 97 per cent had been expended by year end. As in previous years, the largest expenditure categories were staff salaries (77 per cent), travel (10 per cent), consultants (5 per cent), and others (8 per cent). The Office hired consultants to support fraud-related investigations and the recruitment of the Director of the Office. These consultancies cost a total of \$335,668. Travel costs included the travel costs of staff to conduct audits and investigations (\$631,658) and the travel costs of the six members of the AAC (\$89,364).

32. At the start of 2018, the Office had 38 authorized posts. These included the posts of Director, Deputy Director, 21 auditors, 12 investigators and 3 General Service staff. UNICEF had planned to establish an OIAI outpost in Budapest with 11 of the 38 authorized posts (six auditors, four investigators and one General Service). However, following the spike in the number of allegations of harassment, sexual harassment and abuse of authority after March 2018, it was decided to cancel the establishment of the outpost, fill all the positions in New York and review the feasibility of a much-wider decentralization of the Office. After assessing the funding of the posts that would be based in New York, it was decided to reduce the number of authorized posts to 37. Subsequently, in October 2018, the Executive Director approved four additional

posts to strengthen the Office's investigations capacity, bringing the total number of authorized posts to 41 as at 31 December 2018.

33. Primarily due to vacancies, including the post of the Director, OIAI, that became vacant in July 2018, the Office utilized only 65 per cent of its authorized posts in 2018 – an equivalent of 13 of 20 internal audit and 7 of 11 investigations posts. This was mainly due to resignations/reassignments and unavoidable delayed recruitment to fill vacant posts (as explained in para 31 above). Following an intensive recruitment process, the Office is now in a solid position to have all vacant posts filled by the second quarter of 2019, including the Director post.

34. The Office is pleased to report that it was adequately resourced to deliver on its mandate during 2018.

VIII. Internal audit workplan

35. The OIAI 2018 workplan enabled the Office to effectively and efficiently discharge its responsibility under the UNICEF Strategic Plan, 2018–2021: bolster the adequacy and effectiveness of the system of internal controls and make recommendations that strengthen the organization's risk management. To this end, it included audit activities implemented across UNICEF – staff recruitment, management of immunization activities, master data management, and information technology and cybersecurity.

36. As in previous years, a range of activities and contributions helped the Office to understand the UNICEF risk profile and assurance needs. These included desk reviews of key documents and face-to-face or telephone meetings with senior members of management across UNICEF, the advice and counsel of the AAC and collaborations with the United Nations Board of Auditors and UN-RIAS.

37. The 2018 workplan was dominated by audits of country offices, reflecting the fact that the UNICEF programme is largely developed and implemented by these offices. It included 33 engagements comprising 22 audits of country offices; 5 audits of operations being implemented at headquarters and field locations; 2 audits undertaken jointly with other United Nations agencies; 1 special audit, and 3 advisory engagements.

38. Pursuant to Executive Board decision 2018/12, OIAI assessed the feasibility of conducting work to provide assurance that a coherent and effective approach to child protection and safeguarding is successfully embedded in and mainstreamed across UNICEF. The assessment noted a considerable number of new initiatives under way, and measures being put in place by UNICEF with regard to child protection and safeguarding. These included, among others, the establishment of a Child Safeguarding Unit that is mandated to develop a safeguarding framework. Overall, the assessment concluded that UNICEF was on track to developing an approach for embedding in and mainstreaming child safeguarding and protection across UNICEF. However, it was still too early in 2018 for assurance to be provided on the activities implemented. Therefore, it was decided that OIAI would undertake advisory activities during 2019 to support management in the establishment of appropriate, auditable structures.

IX. Internal audit results

39. In 2018, the Office issued 24 engagement reports,³ with an additional 7 audits at various stages of reporting at year end.

A. Distribution of audit conclusions

40. The Office assigns an overall audit conclusion based on the results of an audit, as explained in section II above. Eighty-two per cent of the internal audit reports issued in 2018 were found to be satisfactory (i.e. rated either unqualified or moderately-qualified). The distribution across the regions was as follows.

Table 2

Distribution of audit conclusions, by UNICEF region and thematic area

| <i>UNICEF region/ Audited area</i> | <i>Number of audits</i> | <i>Number of unqualified conclusions</i> | <i>Number of moderately- qualified conclusions</i> | <i>Number of strongly- qualified conclusions</i> | <i>Number of adverse conclusions</i> |
|--|-----------------------------|--|--|--|--|
| Country office audits | | | | | |
| Eastern and Southern Africa | 4 | 0 | 4 | 0 | 0 |
| East Asia and the Pacific | 3 | 0 | 2 | 0 | 1 |
| Middle East and North Africa* | 3 | 1 | 2 | 0 | 0 |
| West and Central Africa | 2 | 0 | 0 | 2 | 0 |
| Europe and Central Asia | 1 | 1 | 0 | 0 | 0 |
| South Asia | 1 | 0 | 1 | 0 | 0 |
| Latin America and Caribbean | 0 | 0 | 0 | 0 | 0 |
| Thematic audits | 3 | 0 | 3 | 0 | 0 |
| Total | 17 | 2 | 12 | 2 | 1 |

B. Significant results from internal audits of country offices

Programme management

41. UNICEF works with Governments, civil society organizations and other partners in developing and implementing its country programmes. The key aspects of programming include: preparation (programme planning), implementation, identification and management of inputs, monitoring, results reporting and evaluation. The audits of country offices sought assurance as to whether there were adequate and effective governance, risk management and controls over the key aspects of programmes. The audits identified good management practices. However, the audits also identified areas where further actions were needed to better manage risks to the achievement of results for children. Some of the major actions agreed by the country offices based on the audits were:

(a) Ensure that the key elements of the workplan outputs are specific, measurable and time-bound; ensure alignment between various levels of workplans

³ The 24 engagement reports include 4 audit reports and 3 advisory reports issued in early 2018 but included in the 2017 annual report. Starting with the present 2018 annual report, the Office of Internal Audit and Investigations annual report will include only reports issued during the calendar year covered by the report.

at zone offices and country offices, and strengthen joint accountability at decentralized level;

(b) Document sources of data and the methodology used to obtain planning data; conduct data-gap analysis and develop a road map for addressing the gaps; strengthen data gathering and analysis related to humanitarian action;

(c) Strengthen the following: quality of assurance and monitoring activities within the harmonized approach to cash transfers (HACT) framework in general, and more specifically in respect of implementing partners among whom persistent weaknesses have been identified; assessment of the capacities of local non-governmental organizations; programmatic visits, spot-checks and audit reports and the timely follow-up of those recommendations; documentation of cumulative results achieved for each output linked to the country programme outcomes; and quality of third-party monitoring;

(d) Strengthen controls over the management of grants and oversight of donor reports; enable the provision of disaggregated data to the extent possible; strengthen approaches to assessing and reporting on the achievement of results;

(e) Ensure that planned evaluations are undertaken in a timely manner, are of adequate quality and are used to inform the design of the new country programme.

Risk management

42. The UNICEF enterprise risk management policy is currently being revised. However, the current version (2009) requires that offices perform a risk and control self-assessment, which is a structured and systematic process for the assessment of risk to the achievement of an office's objectives and planned results, and the incorporation of actions to manage those risks into workplans and work processes. In August 2018, the Division of Financial and Administrative Management issued the UNICEF anti-fraud strategy and subsequently rolled out training on its application across the organization.

43. Internal audits of country offices by OIAI noted good risk management practices. However, the audits also identified areas where further actions were needed to better manage risks. Some of the agreed actions were:

(a) Improve the preparation of risk assessments and establish accountability for the monitoring and timely implementation of risk-mitigation measures;

(b) Enforce the requirement to document exceptions to key provisions of the organization's policies, especially where risks are considered to be elevated;

(c) Deepen the assessment of risk-specific activities, in consultation with beneficiary communities and relevant stakeholders, to better understand the bottlenecks and adapt programmes as appropriate;

(d) Strengthen the assessment of the risk of fraud and corruption in programmes and other operational activities; and;

(e) Strengthen the country management team to make it more effective in overseeing risk management.

UNICEF accountability to affected populations

44. Humanitarian work is coordinated through the Inter-Agency Standing Committee, a forum involving the key United Nations and non-United Nations humanitarian partners operating in emergency situations. UNICEF adheres to the Inter-Agency Standing Committee accountability to affected populations framework in its programming at the field level. UNICEF requires that, in situations of stability

and crisis, efforts to increase accountability should be implemented systematically and across sectors. In May 2018, Regional Directors and headquarters division Directors agreed on a business case and road map for scaling up accountability to affected populations across the organization.

45. In 2018, the internal audits of five country offices sought to establish whether these offices had addressed accountability to affected populations in programme design, implementation and monitoring, and whether they had established adequate and appropriate channels to obtain feedback from affected populations.

46. The audits noted a number of positive practices and opportunities to enhance the UNICEF accountability to affected populations. In one country office, the audit noted that feedback mechanisms for accountability to affected populations had been embedded only in some workplans and that the monitoring framework lacked specific mention of community feedback mechanisms. Another office had relied on the inter-agency complaint and feedback mechanism for beneficiaries, which was found to be an effective means through which information could be received, shared and addressed. In another country office, the audit found that the office had implemented some aspects of accountability to affected populations; however, it had yet to adopt and mainstream a cohesive and integrated approach. One office had included provisions in agreements with implementing partners to ensure that accountability to affected populations measures were implemented; however, the quality of the mechanisms differed among partners and had not systematically used feedback from affected populations in the programme-design process.

47. As a result of the audits, the offices agreed to take appropriate measures to enhance accountability to affected populations, including (a) identification of key services/programmes to be assessed, feedback gap analysis, identification of the most appropriate means of obtaining feedback and reflecting the results of feedback received in programming; (b) analysis of community feedback, with a focus on key programmes, and use of the results to assess whether it is necessary to institute additional feedback and complaints mechanisms; (c) integration of activities related to the agreed priority collaborations for the accountability to affected populations in the annual management plan, and formulation of appropriate indicators to regularly assess the uptake of feedback and complaints mechanisms; and (d) strengthening the approach to accountability to affected populations.

Protection from sexual exploitation and abuse and workplace abuse

48. The audits reviewed actions taken by country offices on protection from sexual exploitation and abuse, sexual harassment and abuse of authority. The audits made recommendations to offices to: prepare a comprehensive strategy for implementation of these actions in accordance with corporate directives; develop guidance on the extent and duration of support to be provided by country offices to victims; build the capacity of focal points; accelerate efforts to train implementing partners on protection from sexual exploitation and abuse; and roll-out the community-based complaint mechanisms as the basis for updating the action plan on protection from sexual exploitation and abuse. In 2018, the auditors also received training on “auditing culture”, and the office will consider the most effective ways of assessing culture through the audits planned for 2019.

Supply, logistics and asset management

49. The supply chain and logistics management in UNICEF are critical for ensuring that essential supplies procured (including life-saving products) reach children in a timely and cost-effective manner and for reducing the potential for wastage. While

the controls were generally assessed as working well, the audits resulted in several agreed actions, including the following:

- (a) Review barriers and bottlenecks to improve procurement planning and distribution, avoid stocks-outs and obtain confirmation of receipt of goods;
- (b) Strengthen hiring and management of individual consultants (including using targeted market surveys to update the service-provider database);
- (c) Strengthen planning and monitoring of construction projects;
- (d) Ensure adequate insurance (covering fire and other hazards) for premises and contents;
- (e) Reconcile information from physical count inventory reports to system records;
- (f) Enhance monitoring of outstanding purchase orders and goods receipts.

Safety and security

50. The safety and security of staff are of paramount importance, especially when they are working in high-risk geographic areas, for example, due to ongoing conflicts or health hazards. The audits resulted in several agreed actions, including the following:

- (a) Implement an effective process to ensure that the approval of travel authorizations is subject to security clearance;
- (b) Clearly set out the organization's risk appetite in coordinating with the military in its programmatic activities;
- (c) Ensure that UNICEF personnel have adequate knowledge of programme criticality assessment and its application.

C. Significant results from thematic audits and audits of headquarters divisions/offices

Vendor master data management

51. Master records are fundamental to transaction processing in the UNICEF enterprise resource planning system, VISION. The system contains seven key types of master records: vendor, bank, customer, human resources, grant, material and general ledger – approximately 650,000 master records, with vendor master records representing 39 per cent of the total. Vendor master records are used in processing purchase orders and commitments for goods and services and for making related payments, and are thus a high-risk area for fraud and other irregularities. However, if properly managed and maintained, vendor master data can be a valuable source of information for the prevention and/or prompt detection of fraud and other irregularities.

52. The Office conducted an audit of vendor master data management, focusing on governance, creation and maintenance of the vendor master records, access management and monitoring. The audit covered related activities implemented by 5 headquarters divisions and offices and the 10 country offices associated with the highest number of vendor master records.

53. The audit noted a number of positive practices, including the centralization at the Global Shared Services Centre of the creation and maintenance of vendor master records, which have improved accountability for data quality. Standard operating

procedures had been established for the creation and maintenance of vendor master records across offices, and a number of clean-up exercises had been conducted, resulting in the deactivation of thousands of inactive or duplicate records.

54. The audit also identified areas where further actions were needed to better manage risks to vendor master data. As a result of the audit, management agreed, among other actions: to establish and enforce a policy and procedures that clearly identify data owners and delineate their roles and responsibilities; establish clear criteria for the creation and update of vendor master records; review and provide guidance on the use of the “one-time vendor”, “permitted payees”, “alternative payees” and “alternative payees in document” functionalities in VISION; and develop and implement a strategy for the clean-up of the vendor master records.

Staff recruitment

55. On 7 December 2016, a new staff selection policy was introduced, with an effective date of 1 February 2017. The new policy has devolved approval of recruitments to hiring managers; reinforced the use of talent groups as the preferred recruitment method, encouraged flexible interview approaches; and encouraged lateral reassignment and transfers. The goal is to enhance the overall quality and diversity of UNICEF talent through simpler, faster and more targeted recruitment. At the time of the audit in September 2018, the global workforce totalled 14,097. UNICEF recruits staff through several methods – competitive selection with vacancy announcements issued, direct selection from talent groups, lateral reassignments, single-source recruitment and executive decision. The Division of Human Resources (DHR) had reported that, for the six months ended 30 June 2018, UNICEF processed 1,289 staff requisitions, with competitive recruitment accounting for more than 55 per cent of the total.

56. The audit of staff recruitment in UNICEF reviewed the design of UNICEF human resources management strategies, policies, processes and tools pertaining to recruitment. These were among the primary responsibilities of DHR. The audit also reviewed the application of the recruitment strategies, policies, processes and tools by line management across UNICEF and the onboarding process. The onboarding of staff is among the primary responsibilities of the GSSC in Budapest.

57. In each of the areas covered, the audit identified several positive practices. In general, the audit found that DHR had made commendable efforts to strengthen and improve recruitment across UNICEF. However, there were several important areas where further actions were needed to better manage risks that limit efficient and effective recruitment. Some of these actions were as follows:

(a) Conduct a comprehensive review to identify all remaining elements of the recruitment reform, and implement an action plan with a timeline and resources to build the capacity of offices to ensure effective implementation of the reform;

(b) Review and finalize the mandate of the Recruitment Monitoring and Evaluation Unit, strengthen segregation of duties over the recruitment process, and review and, if needed, adjust the checklists used by human resources staff in the recruitment process;

(c) Clarify responsibilities for the strategic development of talent groups, provide comprehensive guidance on the use of talent groups, consider automated system enhancements to display the most up-to-date candidate information, and strengthen monitoring and oversight over talent groups;

(d) Review the application of the human resources business partnering model to ensure that the model best fits the needs of UNICEF and provide guidance on its use.

Immunization activities

58. The UNICEF Immunization Roadmap 2018–2030 sets out the organization’s priorities on immunization through 2030, with a focus on the UNICEF Strategic Plan 2018–2021 period. The road map complements the UNICEF Strategy for Health 2016–2030, which articulates organizational priorities on immunization and describes how these priorities contribute to overarching strategic goals on health and health systems strengthening. In 2017, UNICEF procured vaccines for all types of preventable diseases at a cost of \$1.3 billion (\$1.6 billion in 2016).⁴

59. The Office conducted an audit of immunization in UNICEF to assess the adequacy and effectiveness of the governance, risk management and control processes related to the management of immunization activities. The audit covered immunization-related activities at headquarters locations and reviewed the implementation of immunization activities in three countries as case studies.

60. The audit noted many achievements and positive practices. UNICEF had played the crucial role of mobilizing funds, procuring and distributing vaccines, equipment and supplies; and building capacities of Governments in planning, monitoring and reporting on immunization activities, and in strengthening the management of cold-chain equipment and vaccine handling. UNICEF had also supported communications strategies and social mobilization efforts to generate demand for immunization and to increase access and coverage. At the UNICEF country-office level, there had been good mechanisms for coordination with key partners, including planning and delivery of vaccines to governments’ central stores. The country office visited had increased immunization coverage using innovative approaches, including working with educational institutions and with freelance media on responsible reporting of the effects of immunization.

61. However, the audit identified areas where further actions were needed to better manage the risks to immunization activities. Two of these actions were being implemented as high priority. These were: (i) sharing with donors and key partners – preferably in the relevant proposals and grant agreements – detailed information on HACT, including the risks to the management of funds channelled through UNICEF and the associated responsibilities and accountabilities; and (ii) explaining to donors the additional risks involved in implementing immunization activities in countries with very weak capacities and systems (e.g., countries in humanitarian situations) and agreeing on responsibilities and accountabilities in such countries.

X. Disclosure of internal audit reports

62. As at 31 December 2018, all internal audit reports due for disclosure had been published. No reports were withheld from publication. All internal audit reports disclosed to date may be viewed at <www.unicef.org/auditandinvestigation>.

XI. Investigations results

63. The Office assesses and investigates reports of possible fraudulent practices and misconduct that involve UNICEF staff, consultants, non-staff personnel and institutional contractors. The results of these investigations are transmitted to the appropriate divisions, together with supporting evidence to guide UNICEF management in deciding on the relevant action to be taken.

⁴ UNICEF, *Supply Annual Report 2017*, p. 48, and *Supply Annual Report 2016*, p. 48.

A. Case management

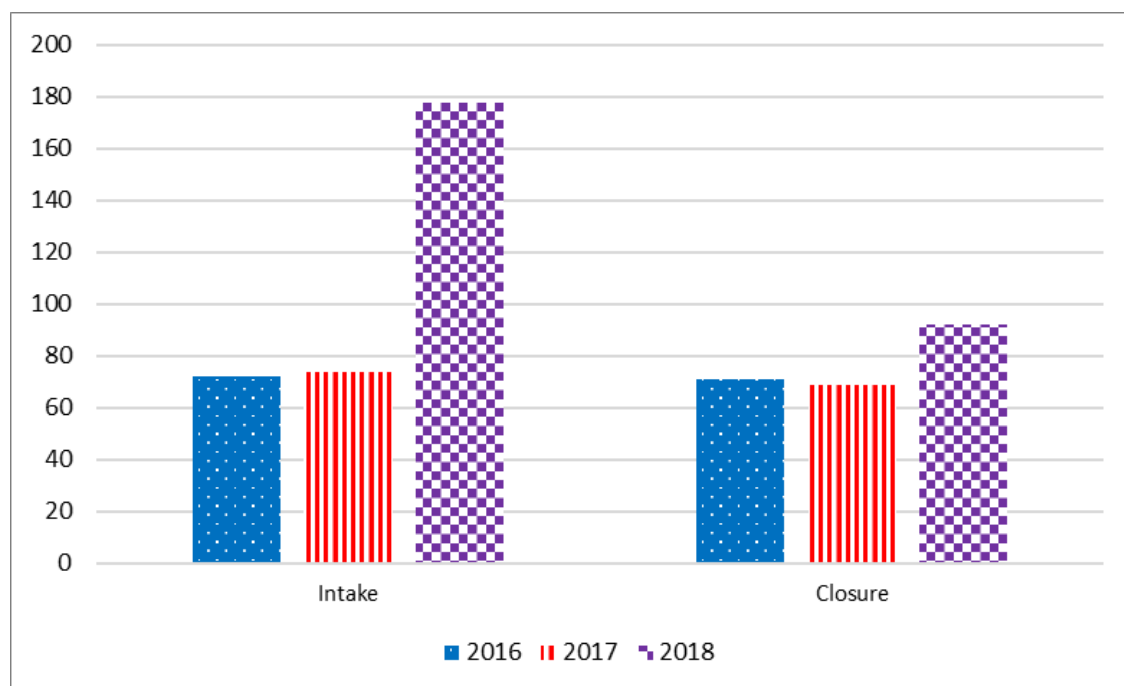
64. The Office receives reports for its consideration via multiple means. UNICEF personnel can confidentially report all matters either: (i) in person; or (ii) via email to any of the OIAI investigators; or (iii) to a complaints hotline via the email address integrity1@unicef.org, which connects the caller to an investigator in OIAI. Work is in progress to enable OIAI to have a 24/7 call centre in 2019, which will receive complaints in all official languages of the United Nations. In 2019, OIAI will also enhance its case management system to better track and analyse the source of complaints.

65. In 2018, the Office managed 226 investigations cases, representing a 95 per cent increase compared to 2017 (see table 3). This included 48 cases carried over from the previous year and 178 allegations received in 2018 that were found to merit investigation. With 178 cases opened during 2018, the Office had a 144 per cent average increase in intake compared to 2016 and 2017, which had intakes of 72 and 74 cases, respectively, as shown in figure I. By the end of 2018, 93 cases had been closed (versus 69 in 2017).

Table 3
Investigations cases handled in 2018

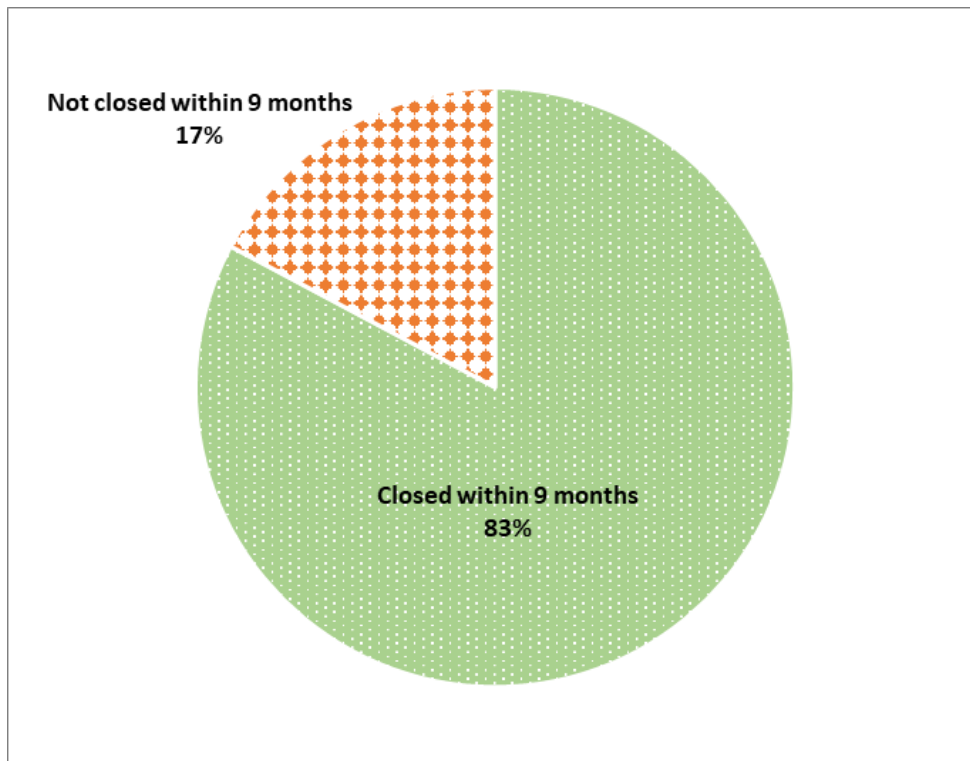
| <i>Status of cases</i> | <i>Number of cases</i> |
|--------------------------------------|------------------------|
| Carry-over as of 1 January 2018 | 48 |
| Intake during the year | 178 |
| Total caseload | 226 |
| Closed during year | (93) |
| Cases ongoing as at 31 December 2018 | 133 |

Figure I
Intake and closure of cases, 2016–2018



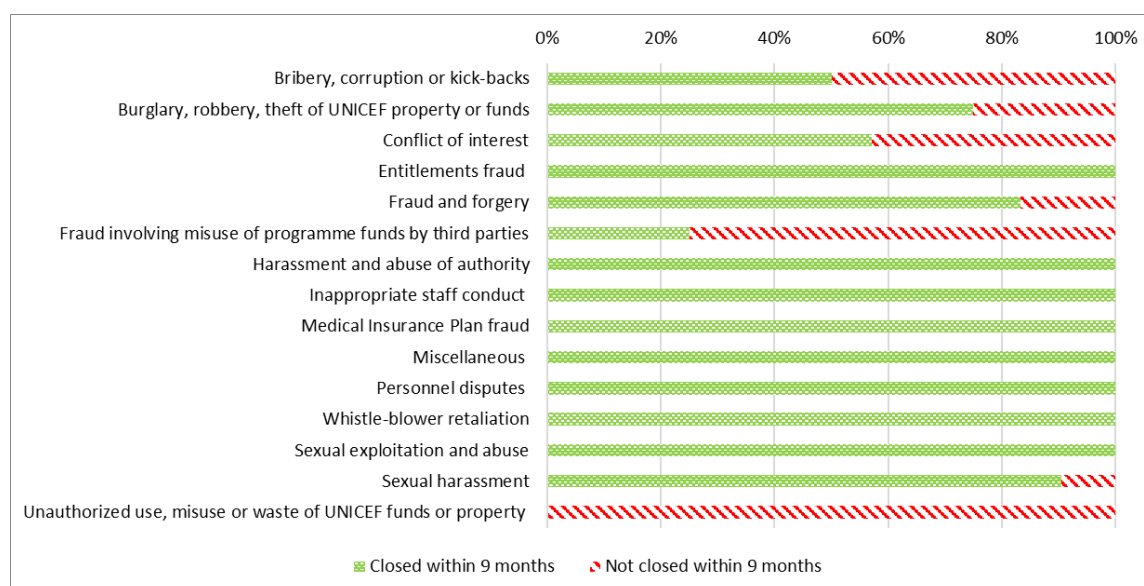
66. In 2018, OIAI closed 77 of 93 cases (82 per cent) within nine months, as shown in figure II. This compares with 67 per cent in 2017. The average time spent by OIAI on each case during 2018 was 5.5 months.

Figure II
Percentage of cases closed within nine months in 2018



67. Figure III shows the percentage of cases closed within nine months, by type. This demonstrates that the speed of closure is affected by several factors, including the nature of the case (for instance, all cases of sexual harassment and sexual exploitation were closed within nine months) and its relative complexity (for instance, resolving cases of fraud involving external parties tended to take longer than resolving cases of entitlements fraud by staff members).

Figure III
Percentage of cases closed within nine months, by case type, 2018



B. Analysis of allegations received

68. The Office opened 178 new cases during 2018. These are analysed by type of allegation in table 4. The largest category was harassment and abuse of authority at 62 (2017: 2) followed by sexual harassment at 29 (2017: 4⁵), which illustrates the organization's commitment to ending these forms of misconduct and to creating a culture of trust and safety. The number of cases of alleged fraud involving misuse of programme funds by third parties (implementing partners, vendors, etc.) decreased, with 12 cases (versus 20 cases in 2017).

Table 4
Case intake, by category

| | <i>Number of cases</i> |
|--|------------------------|
| Bribery, corruption or kickbacks | 3 |
| Burglary, robbery, or theft of UNICEF property or funds | 11 |
| Conflict of interest | 8 |
| Entitlements fraud | 3 |
| Fraud and forgery | 10 |
| Fraud involving misuse of programme funds by third parties | 12 |
| Gross mismanagement | 2 |
| Harassment and abuse of authority | 62 |
| Inappropriate staff conduct | 13 |
| Medical Insurance Plan fraud | 4 |
| Personnel disputes | 5 |

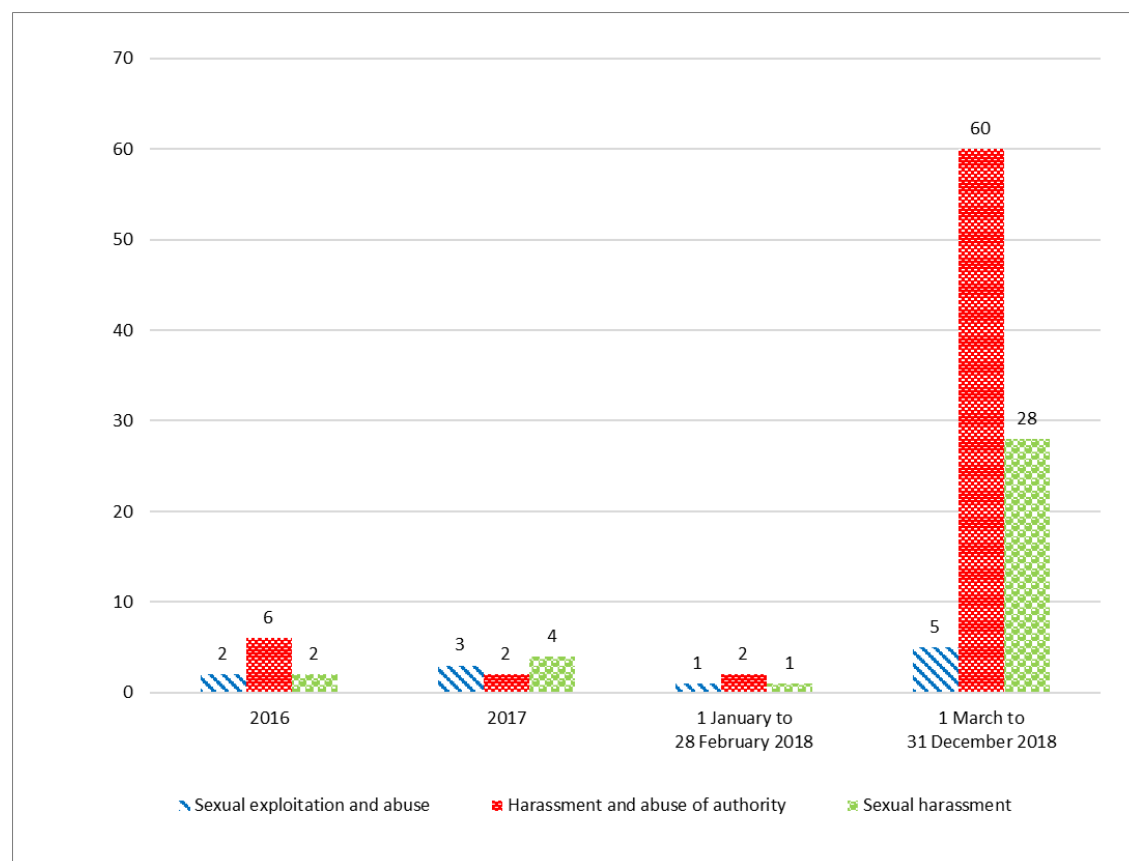
⁵ The 2017 annual report reflected six cases recorded under the category "sexual harassment and sexual exploitation", out of which three were categorized as "sexual harassment". One case that was originally recorded in 2017 as "inappropriate staff conduct" was changed to "sexual harassment" upon completion of the investigation in 2018.

| | <i>Number of cases</i> |
|---|------------------------|
| Procurement irregularities | 5 |
| Retaliation | 2 |
| Sexual exploitation and abuse | 6 |
| Sexual harassment | 29 |
| Unauthorized use, misuse or waste of UNICEF property or funds | 2 |
| Mala fide complaint | 1 |
| Total | 178 |

69. In 2018, OIAI saw a rapid increase in reporting of cases, following the Executive Director's reaffirmed commitment to zero-tolerance to ending sexual exploitation and abuse and workplace harassment. In comparison with 2016 and 2017, there was a marked increase in these categories (see figure IV).

Figure IV

Intake of allegations of sexual exploitation and abuse, sexual harassment, and harassment and abuse of authority, 2016–2018



70. Table 5 shows the breakdown of allegations received by location. As in 2017, Eastern and Southern Africa, South Asia and West and Central Africa were the three regions with the highest number of allegations. Eastern and Southern Africa accounted for 27 per cent (2017: 19 per cent), West and Central Africa 16 per cent (2017: 27 per cent), and South Asia 13 per cent (2017: 23 per cent) of the allegations in 2018. A significant increase in the number of allegations was recorded for

headquarters locations, with 14 per cent (2017: 4 per cent), while Latin America and Caribbean had a slight increase at 7 per cent (2017: 5 per cent). The Middle East and North Africa accounted for 12 per cent (2017: 16 per cent) and the Europe and Central Asia region for 4 per cent (2017: 0 per cent; no cases had been opened).

Table 5
Case intake, by location, 2018

| <i>Location</i> | <i>Number of cases</i> | <i>Percentage of the total</i> |
|------------------------------|------------------------|--------------------------------|
| Headquarters | 25 | 14% |
| East Asia and the Pacific | 12 | 7% |
| Eastern and Southern Africa | 48 | 27% |
| Middle East and North Africa | 21 | 12% |
| South Asia | 23 | 13% |
| West and Central Africa | 29 | 16% |
| Europe and Central Asia | 8 | 4% |
| Latin America and Caribbean | 12 | 7% |
| Total | 178 | 100% |

C. Disposition of completed cases

71. In 2018, OIAI issued 29 investigations reports, a 93 per cent increase from 2017, when 15 investigation reports were issued. In 36 of the 93 completed cases in 2018, the cases were closed because the investigation did not substantiate the allegation. Another nine cases were closed due to the staff member no longer being employed by the organization or resigning during the course of the investigation. The disposition of cases completed in 2018 is summarized in table 6, and details of each of the closed cases are outlined in annex IV.

Table 6
Disposition of investigations cases completed in 2018

| <i>Type of closure</i> | <i>Number of cases</i> |
|---|------------------------|
| Investigations report | 29 |
| 1(a) Submitted to the Division of Human Resources | 27 |
| 1(b) Submitted to the Ethics Office | 1 |
| 1(c) Submitted to another United Nations entity | 1 |
| Closure memorandum | 50 |
| 2(a) Allegation not substantiated | 36 |
| 2(b) Allegation in which staff member left the organization | 9 |
| 2(c) Allegation in which the implementing partner has acted and there was no financial loss to UNICEF | 2 |
| 2(d) Closed upon complainant's request or lack of consent to disclose information | 3 |
| Other (i.e. case merged with another case, case suspended, or case recorded for information-tracking purposes) | 9 |
| Referral made to a UNICEF office | 5 |
| Total cases closed in 2018 | 93 |

72. The highest number of closed cases were related to sexual harassment (21 cases) and harassment and abuse of authority (20 cases), which showed a significant increase as compared to the cases closed in the previous year (in 2017, two cases of sexual harassment and two cases of harassment and abuse of authority were closed). The Office established financial losses to UNICEF from 10 cases (2017: 20 cases) amounting to \$437,754 (2017: \$2,150,093).

D. Disciplinary measures and other actions taken

73. The Office submitted 27 investigations reports to the Policy and Administrative Law Section of DHR for consideration of disciplinary or other action. By the end of 2018, OIAI had recorded the following actions as having been taken:

- (a) four dismissals
- (b) one separation
- (c) two demotions
- (d) three losses of steps
- (e) two written censures

74. A further two staff members were reprimanded after it was determined that their conduct has been inappropriate but did not rise to the level of misconduct.

75. There were still 11 cases being processed by DHR at the time of writing this report. In one instance, the staff member resigned during the investigation; in such cases, a note for the record is placed in the staff member's official status file.

XII. Strategic road map

76. After operating with a high vacancy rate in 2016 and 2017, it is anticipated that the Office will be fully staffed by the first half of 2019. A new Chief Investigator came on board in January 2019 and the position of Director, which fell vacant in July 2018, will be filled in July 2019. These changes at the senior management level will undoubtedly drive the need for a reflection on how the Office is structured to deliver on its mandate.

77. The Office will be completing a study on the feasibility and cost of a decentralized structure with a permanent field presence. The Office will continue to adjust its working methods in line with good practice. Among other factors, client feedback, the external quality assessment expected to be conducted in 2019 and the advice provided by the AAC will contribute to this process.

78. During 2018, the Executive Director commissioned an external review of investigations conducted by OIAI in relation to sexual harassment and abuse. The priorities identified in the review's report are the basis of the Office's ongoing development of operational and procedural standards to address identified gaps. The Office is reviewing all its internal procedures to ensure that they are consistent with the organization's revised policies that have an impact on investigations and standards of conduct. Where appropriate, standard operating procedures are being developed. Once all operating procedures have been adopted, the Office will update its investigations manual.

79. The Office has also: (i) designated an Investigations Specialist to serve as case coordinator for all victim-based complaints and is enhancing its guidance role for complainants and information-sharing with victims – a more victim-centred approach

to investigations; and (ii) is now assessing and, with the consent of the alleged victims, investigating anonymous complaints that are sufficiently detailed and for which there is independently verifiable information.

80. During the last quarter of 2018, the Office commenced its review of the 26 cases identified in the report to determine if the application of the parameters described would result in different conclusions on the matters.

XIII. Draft decision

The Executive Board

1. *Takes note* of the UNICEF Office of Internal Audit and Investigations 2018 annual report to the Executive Board ([E/ICEF/2019/AB/L.3](#)) and welcomes the overall opinion of the adequacy and effectiveness of the organization's framework of governance, risk management and control;

2. *Welcomes* the reporting against key performance indicators related to the work of the Office;

3. *Also welcomes* the inclusion in the 2018 annual report to the Executive Board of more detailed analysis of cases of sexual exploitation and abuse of beneficiaries and sexual harassment in the workplace, in accordance with its mandate, including allegations, investigations and actions taken.

Annex I

Audit and advisory reports issued in 2018¹

| No. | Reference number | Region ^a | UNICEF audits | Number of agreed actions ^b | | Report conclusion ^c |
|-----------------------|------------------|---------------------|---|---------------------------------------|---------------|--------------------------------|
| | | | | Total | High priority | |
| Field offices | | | | | | |
| 1. | 2018/01 | WCAR | Central African Republic Country Office | 13 | 5 | Q-S |
| 2. | 2018/02 | EAPR | Democratic People's Republic of Korea Country Office | 6 | 4 | Q-M |
| 3. | 2018/03 | MENA | Egypt Country Office | 11 | 2 | Q-M |
| 4. | 2018/04 | ESAR | Uganda Country Office | 18 | 2 | Q-M |
| 5. | 2018/05 | SA | India Country Office | 13 | 2 | Q-M |
| 6. | 2018/06 | EAPR | Papua New Guinea Country Office | 13 | 7 | A |
| 7. | 2018/07 | WCAR | Nigeria Country Office | 13 | 3 | Q-S |
| 8. | 2018/08 | ECAR | Turkey Country Office | 9 | - | U |
| 9. | 2018/09 | ESAR | Eritrea Country Office | 8 | 3 | Q-M |
| 10. | 2018/10 | MENA | Iraq Country Office | 17 | 3 | Q-M |
| 11. | 2018/13 | ESAR | Somalia Country Office | 17 | 1 | Q-M |
| 12. | 2018/15 | EAPR | Democratic People's Republic of Korea Country Office | 5 | - | Q-M |
| 13. | 2018/17 | ESAR | South Sudan Country Office | 18 | - | Q-M |
| | | | | 161 | 32 | |
| Thematic areas | | | | | | |
| 14. | 2018/11 | - | Vendor master data management | 10 | 3 | Q-M |
| 15. | 2018/14 | - | Staff recruitment | 12 | 5 | Q-M |
| 16. | 2018/16 | - | Immunization activities in UNICEF | 9 | 1 | Q-M |
| | | | | 31 | 9 | |
| Special audit | | | | | | |
| 17. | 2018/12 | MENA | United States Agency for International Development grant managed by the State of Palestine Office | 4 | - | U |
| Total | | | | 4 | - | |
| Grand total | | | | 196 | 41 | |

^a The UNICEF regions listed are: EAPR: East Asia and the Pacific; ECAR: Europe and Central Asia; ESAR: Eastern and Southern Africa; MENA: Middle East and North Africa; SA: South Asia; and WCAR: West and Central Africa.

^b Some medium- or high-risk agreed action plans were communicated to the Executive Director confidentially to prevent organizational exposure to the related risks.

^c Report conclusions may be classified as follows: unqualified (U); moderately-qualified (Q-M); strongly-qualified (Q-S); or adverse (A).

¹ Audit reports are listed by category and report reference number. This list excluded the four reports on the internal audits of Albania, the Democratic People's Republic of Korea, Guatemala and Ukraine; and the three advisory reports on Humanitarian Cash Transfers, Emergency Cash Transfers in Yemen, and the Data Handling Policy that were issued in early 2018 but included the 2017 annual report.

Annex II

Agreed actions unresolved for more than 18 months

| | <i>Title of audit/issue month and year/age of agreed action</i> | <i>Agreed action</i> | <i>Status update</i> |
|------|---|--|--|
| 1, 2 | Audit of the Public Sector Alliances and Resource Mobilization Office/December 2013 – 60 months | <p>High priority: Issue a policy that states the strategic vision and implementation framework for the UNICEF resource mobilization function and outlines the roles and responsibilities of the Public Partnerships Division (PPD) and other UNICEF organizational units.</p> <p>High priority: Establish a strategy and requirement to improve the quality and timeliness of donor reports at the global level and clarify the responsibilities of PPD and regional offices regarding oversight and support on donor reporting.</p> | <p>PPD: In January 2019, PPD stated that the accountability framework had been updated in the new resource mobilization strategy; the Private Fundraising and Partnerships Division (PFP) and PPD had completed drafting of the revised policy on resource mobilization, which was expected to be issued in the first quarter of 2019.</p> <p>OIAI: The action will be closed upon issuance of the revised policy.</p> |
| 3, 4 | Audit of the management of service contracts in UNICEF headquarters divisions/June 2015 – 42 months | <p>High priority: Revise the policy on the Contracts Review Committee; and identify systems for transaction-level monitoring (including for managing risks of potential splitting of contracts), and solutions enabling recording multi-year contractual arrangements through purchase orders within VISION.</p> | <p>DFAM: In January 2019, DFAM stated it would issue the revised Contracts Review Committee policy in the first quarter of 2019, the pilot for the new budget formulation tool and the transaction-level monitoring tool had been completed, and full roll-out of the systems was expected by the second quarter of 2019.</p> <p>OIAI: Actions will be closed after completion of the proposed actions.</p> |
| 5 | Audit of the Kenya Country Office/June 2015 – 42 months | <p>Medium priority: The Division of Financial and Administrative Management (DFAM) agreed to issue budgeting tools and guidance to assist country offices in costing workplan activities and output results.</p> | <p>Following the review of the latest update provided by management in January 2019 and implementation actions taken, this recommendation has been closed.</p> |
| 6 | Audit of the management of other resources funds/August 2016 – 28 months | <p>Medium priority: Programme Division (PD) agreed to: review and document the process for managing multi-country non-thematic contributions; clarify the division of labour between PD and regional offices on the quality assurance and consolidation of country office reports; ensure that clear instructions are given to DFAM on the reports required for multi-country, non-thematic contributions; and strengthen monitoring of unallocated multi-country, non-thematic funds.</p> | <p>Following the review of the latest update provided by management in February 2019 and implementation actions taken, this recommendation has been closed.</p> |
| 7 | Audit of the Programme Division/September 2016 – 27 months | <p>High priority: PD agreed to clarify its roles and purpose through an accountability matrix that: clarifies roles, responsibilities and accountabilities for key roles within PD; indicates when divisional subject experts (e.g., the Division of Data, Research and Policy; the Evaluation Office) should be consulted/involved; and provides a reference and focal point for interdivisional coordination with other headquarters divisions.</p> | <p>Following the review of the latest update provided by management in March 2019 and implementation actions taken, this recommendation has been closed.</p> |

Annex III

Key performance indicators for audit and investigations, 2018

| <i>No.</i> | <i>Key performance indicator^a</i> | <i>Target (2021)</i> | <i>Achievement (2018)</i> |
|------------|--|----------------------|---------------------------|
| 1. | Delivery of a risk-based workplan (as approved by the Executive Director and adjusted during the year) ^b | 90% | 85% |
| 2. | Compliance with Executive Board decision 2012/13 on public disclosure | 100% | 100% |
| 3. | Engagements in which feedback from clients has been “generally satisfactory” ^c | 100% | 100% |
| 4. | General conformity with IIA [Institute of Internal Auditors] standards, including external assessments (once every five years) | Yes | Yes ^d |
| 5. | Compliance with timeliness indicators for internal audit reporting | 90% | 69% |
| 6. | Compliance with timeliness indicators for investigations | 75% | 82% |

^a OIAI periodically reports on selected key performance indicators on a quarterly basis to the Executive Director and the Audit Advisory Committee, and reports on other indicators annually or at other applicable intervals.

^b Any adjustments made to the workplan are communicated to the Executive Director and the Audit Advisory Committee.

^c All the audit clients either agreed or strongly agreed that, overall, the individual audits added value and resulted in meaningful agreed actions and results.

^d The last external quality assessment in 2013 rated OIAI as “generally conforms” – that is, the Office generally conformed to the Definition of Internal Auditing, the International Standards for the Professional Practice of Internal Auditing, and the Code of Conduct; for investigations, this means generally conforms to the Uniform Guidelines for Investigations, 2nd edition, as endorsed by the 10th Conference of International Investigators).

Annex IV

Investigations cases closed during 2018

| No. ^a | UNICEF region/ Location ^b | Allegation | Financial loss to UNICEF established (in United States dollars) | Investigation result/ Disciplinary measure |
|---|---|--|---|--|
| <i>Bribery, corruption or kick-backs</i> | | | | |
| 1 | ESAR | Corrupt practices, abuse of position, fraud and conflict of interest by a staff member | Nil | Not substantiated. |
| 2 | WCAR | Allegation of kickback with non-governmental organization implementing partner | Nil | Not substantiated. |
| 3 | | Allegation of kickbacks | Nil | Not substantiated. |
| 4 | | Staff member requested and obtained kickbacks from two UNICEF partners | Nil | Investigation report submitted to DHR. Staff member was dismissed. |
| <i>Burglary, robbery, theft of UNICEF property or funds</i> | | | | |
| 5 | ESAR | Misappropriation of project funds from a partner | \$828 | Allegation substantiated, and action taken by partner. Amount recovered in full. |
| 6 | | Looting incident involving a UNICEF implementing partner | \$146 | For recording purposes, no further action. The implementing partner took appropriate actions. |
| 7 | WCAR | Staff member, together with non-UNICEF accomplices, diverted supplies from a UNICEF warehouse | \$112,188 | Investigation report submitted to DHR. Staff member was dismissed. |
| 8 | WCAR | Staff member diverted money from the office petty cash | Nil | Investigation report submitted to DHR. Staff member was dismissed. |
| <i>Conflict of interest</i> | | | | |
| 9 | ESAR | Staff member undertaking paid outside activities while employed by UNICEF | Nil | Investigation report submitted to DHR. Staff member received disciplinary sanction (loss of one step within-grade salary increment). |
| 10 | | Conflict of interest in procurement | Nil | Not substantiated. |
| 11 | Headquarters | Staff member set up an online platform to sell arts and crafts | Nil | Investigation report submitted to DHR. Staff member received a written reprimand. |
| 12 | SA | Irregular recruitment process | Nil | Investigation report submitted to DHR. Staff member received a written censure. |
| 13 | WCAR | Conflict of interest of staff member whose spouse was working with an NGO implementing partner | Nil | Investigation report submitted to DHR. Staff member was demoted by one grade. |
| 14 | | Conflict of interest of staff member associated with NGO implementing partner | Nil | Not substantiated. |
| 15 | | Conflict of interest of staff member associated with NGO implementing partner | Nil | Investigation report submitted to DHR. |

| No. ^a | UNICEF region/ Location ^b | Allegation | Financial loss to UNICEF established (in United States dollars) | Investigation result/ Disciplinary measure |
|---|---|---|---|--|
| <i>Entitlements fraud</i> | | | | |
| 16 | Headquarters | Staff member forged official documents and withheld information on spousal employment | Nil | Investigation report submitted to another United Nations body. |
| 17 | | Staff member withheld information on spousal employment and entitlements received in respect to their child | \$14,459 | Staff member resigned while under investigation. |
| <i>Fraud and forgery</i> | | | | |
| 18 | ESAR | Fraud pertaining to the provision of food supplements | Nil | Not substantiated. |
| 19 | | Misappropriation of funds from the Staff Association | Nil | Not substantiated. |
| 20 | | Fraud relating to the use of UNICEF vehicle and driver during official travel for conducting personal business | Nil | Not substantiated. |
| 21 | WCAR | Staff member colluded in an implementing partner fraud | \$7,000 | Staff member involvement was not substantiated. Case was referred to another UNICEF office for recovery from the implementing partner. |
| 22 | | Unethical and fraudulent travel management; theft of UNICEF property | \$141 | Staff member abandoned their post while under investigation. |
| 23 | | Staff member forged documents for bank loan approval | Nil | Investigation report submitted to DHR. |
| <i>Fraud involving misuse of programme funds by third parties</i> | | | | |
| 24 | EAPR | Theft of UNICEF funds by implementing partner staff | \$22,000 | Allegation substantiated, loss to be recovered by UNICEF. |
| 25 | ESAR | Fraud by implementing partner | Nil | Case suspended pending security clearance for access to the field. |
| 26 | | Fraud by implementing partner | Nil | For better use of OIAI resources, case was merged with another case that was also under investigation. |
| 27 | | Implementing partner diverted UNICEF funds and taxed its own employees | Nil | Not substantiated. |
| 28 | | Implementing partner did not implement projects funded by UNICEF | Nil | Not substantiated. |
| 29 | | UNICEF implementing partner defrauded UNICEF and provided forged/fake documentation to account for expenditure it did not incur | \$238,980 | Allegation substantiated, loss to be recovered by UNICEF. |
| 30 | | Implementing partner diverted UNICEF funds | Nil | Not substantiated. |
| 31 | WCAR | Theft of UNICEF funds by implementing partner staff | \$40,211 | Allegation substantiated, loss to be recovered by UNICEF. |
| <i>Harassment and abuse of authority</i> | | | | |
| 32 | EAPR | Harassment and retaliation against staff member by another staff member | Nil | Not substantiated. |
| 33 | ESAR | Abuse of authority of staff member by supervisor | Nil | Not substantiated. |

| No. ^a | UNICEF region/ Location ^b | Allegation | Financial loss to UNICEF established (in United States dollars) | Investigation result/ Disciplinary measure |
|------------------|---|--|---|--|
| 34 | | Harassment and abuse of authority of a colleague by a staff member | Nil | Investigation report submitted to DHR. Staff member received disciplinary sanction of loss of three steps within-grade salary increment. |
| 35 | | Anonymous complaint of harassment and abuse of authority by the office management | Nil | Not substantiated. |
| 36 | | Harassment of staff member by another staff member | Nil | Staff member was separated from service while under investigation due to unsatisfactory service. |
| 37 | | Anonymous complaint of harassment and abuse of authority by the office management | Nil | Not substantiated. |
| 38 | ECAR | Bullying, harassment and inappropriate behaviour | Nil | Not substantiated. |
| 39 | LACR | Harassment of staff member by managers | Nil | Closed due to no consent by the aggrieved individual to pursue the matter. |
| 40 | MENA | Harassment and abuse of authority by supervisor | Nil | Not substantiated. |
| 41 | | Abuse of authority of staff member by supervisor | Nil | Closed upon aggrieved individual's request, who sought informal resolution. |
| 42 | | Harassment and abuse of authority by supervisor | Nil | Not substantiated. |
| 43 | | Harassment | Nil | Closed due to no consent by the aggrieved individual to pursue the matter. |
| 44 | Headquarters | Harassment and abuse of authority of staff member by supervisor | Nil | Staff member resigned while under investigation. |
| 45 | | Discrimination, workplace harassment and abuse of authority by a staff member | Nil | Investigation report submitted to DHR. |
| 46 | SA | Harassment and abuse of authority of staff member by manager | Nil | Not substantiated. |
| 47 | | Harassment and abuse of authority by supervisor | Nil | Investigation report submitted to DHR. |
| 48 | | Abuse of authority and discrimination by staff member | Nil | Investigation report submitted to DHR. |
| 49 | | Harassment and abuse of authority by a staff member who had been terminated on performance-related matters | Nil | For recording purposes, no further action (reported aggrieved individual did not seek a formal process). |
| 50 | WCAR | Anonymous complaint of harassment and abuse of authority by the office management | Nil | Anonymous complaint did not contain sufficient details for a viable investigation. Referral made to another UNICEF office for possible management action |
| 51 | | Harassment and abuse of authority by supervisor | Nil | Not substantiated. |

| No. ^a | UNICEF region/ Location ^b | Allegation | Financial loss to UNICEF established (in United States dollars) | Investigation result/ Disciplinary measure |
|--------------------------------------|---|--|---|---|
| <i>Inappropriate staff conduct</i> | | | | |
| 52 | EAPR | Spousal physical abuse by staff member | Nil | Investigation report submitted to DHR. Staff member was separated upon expiration of appointment. |
| 53 | ECAR | Inappropriate language and physical assault of another staff member | Nil | Investigation report submitted to DHR. Staff member received disciplinary sanction of loss of one step within-grade salary increment. |
| 54 | Headquarters | Staff member testified in favour of a former UNICEF consultant who had been convicted of sexual child abuse without informing or requesting UNICEF management approval | Nil | Investigation report submitted to DHR. Staff member received a written reprimand. |
| 55 | SA | Staff member withheld having been under investigation on job application to UNICEF | Nil | Investigation report submitted to DHR. Staff member was dismissed. |
| 56 | WCAR | Staff member downloaded and viewed pornographic materials on UNICEF equipment | Nil | Investigation report submitted to DHR. Staff member was demoted by one grade and deferred for promotion for two years. |
| 57 | | Recruitment irregularity (cheating on a written test) | Nil | Investigation report submitted to DHR. |
| <i>Medical Insurance Plan fraud</i> | | | | |
| 58 | ESAR | Fraudulent medical claim for treatment received by dependent | Nil | Not substantiated. |
| 59 | LACR | Staff member forged medical invoices | \$1,801 | Staff member resigned while under investigation. |
| <i>Miscellaneous</i> | | | | |
| 60 | MENA | Conflict of interest, fraud and corrupt practices by a former implementing partner employee | Nil | Not substantiated. |
| <i>Personnel disputes</i> | | | | |
| 61 | Headquarters | Wrongful employment of a consultant. Failure to comply with contracting norms and regulations | Nil | Not substantiated. |
| 62 | WCAR | Recruitment irregularity | Nil | Not substantiated. |
| 63 | | Recruitment irregularity, staff member facilitated cheating on a written test | Nil | Investigation report submitted to DHR. |
| <i>Retaliation</i> | | | | |
| 64 | MENA | Staff member's contract was not renewed | Nil | Investigation report submitted to Ethics Office. |
| 65 | Headquarters | Allegation of retaliation and cronyism related to recruitment of consultants | Nil | Investigation report submitted to Ethics Office. |
| <i>Sexual exploitation and abuse</i> | | | | |
| 66 | ESAR | Staff member was charged by a local court with adultery, rape and involvement in an abortion | Nil | Referral made to a UNICEF office for management intervention. |

| No. ^a | UNICEF region/ Location ^b | Allegation | Financial loss to UNICEF established (in United States dollars) | Investigation result/ Disciplinary measure |
|--------------------------|---|--|---|--|
| 67 | MENA | Sexual exploitation and abuse investigation initiated by UNICEF partner against its own staff. No UNICEF staff members involved | Nil | For recording purposes, no further action, as OIAI does not hold jurisdiction. |
| 68 | SA | Sexual abuse of a minor by an employee of a third-party contractor, who was dismissed. It was investigated by UNICEF upon the request of the victim's family | Nil | Allegation substantiated, action taken by partner. |
| 69 | WCAR | Staff member had engaged in sexual relationships with a minor | Nil | Staff member had retired from UNICEF several years before the allegation was reported. |
| 70 | | Consultant had raped a minor and had sexual intercourse with two women who were project beneficiaries | Nil | Consultant acknowledged involvement with adult beneficiaries and his contract was terminated. The country office was following the matter. |
| 71 | | A woman working as a maid for a UNICEF national staff member accused the latter of rape and sexual exploitation | Nil | Not substantiated, allegations were motivated by financial gain. |
| <i>Sexual harassment</i> | | | | |
| 72 | ECAR | Female staff member complained that she had been sexually harassed by a former UNICEF staff member | Nil | Staff member had retired from UNICEF before the allegation was reported. |
| 73 | EAPR | Sexual harassment, harassment and abuse of authority of several staff members by supervisor | Nil | Investigation report submitted to DHR. Staff member was dismissed. |
| 74 | | Staff member touched another staff member inappropriately and made remarks of a sexual nature | Nil | Investigation report submitted to DHR. |
| 75 | ESAR | Staff member made unwanted physical contact with a partner staff | Nil | Not substantiated. |
| 76 | | Country office reported a case of potential sexual harassment, but no complaint was submitted to OIAI | Nil | For recording purposes. No further action as the aggrieved individual did not engage in a formal process. |
| 77 | | Sexual misconduct by staff member | Nil | Not substantiated. |
| 78 | | Sexual encounters involving an intern and female colleagues | Nil | Not substantiated. |
| 79 | Headquarters | Staff member sexually harassed a staff member from another United Nations entity | Nil | Not substantiated. |
| 80 | | A UNICEF female staff member complained that she had been sexually harassed by one of her male colleagues | Nil | Not substantiated. |
| 81 | | Sexual harassment by a former staff member | Nil | Staff member had retired from UNICEF before the allegation was reported. |
| 82 | | Anonymous complaint of sexual harassment | Nil | For recording purposes, no further action. Anonymous complaint did not contain sufficient details for a viable investigation |

| No. ^a | UNICEF region/ Location ^b | Allegation | Financial loss to UNICEF established (in United States dollars) | Investigation result/ Disciplinary measure |
|--|---|--|---|---|
| 83 | | Staff member made unwanted physical contact and remarks of a sexual nature to another staff member | Nil | Not substantiated. |
| 84 | | Staff member sexually harassed other colleagues by unwanted touching and making remarks about looks and clothes | Nil | Investigation report submitted to DHR. Staff member resigned during the disciplinary process. |
| 85 | | Anonymous sexual harassment and threatening email communication to a staff member was reported to the authorities | Nil | For recording purposes, no further action since there was no viable investigation for OIAI. |
| 86 | LACR | Violation of the privacy of a person not affiliated with UNICEF | Nil | Investigation report submitted to DHR. Staff member received a written censure. |
| 87 | MENA | Staff member sexually assaulted a staff member of another organization and made unwelcome sexual advances | Nil | Investigation report submitted to DHR. |
| 88 | | Sexual assault of a staff member by another staff member | Nil | Not substantiated. |
| 89 | | Potential candidate for a UNICEF post had offer of employment withdrawn due to allegations of sexual harassment with another United Nations agency | Nil | For recording purposes. No further action is required. |
| 90 | SA | Consultant made unwanted physical contact and remarks of a sexual nature to another staff member | Nil | Not substantiated. |
| 91 | WCAR | Staff member made unwelcome sexual advances to staff from another United Nations body and partner organization | Nil | Staff member was separated from service while under investigation due to expiry of appointment. |
| 92 | | Unwelcome sexual advances, threats and intimidation by a staff member | Nil | Investigation report submitted to DHR. |
| <i>Unauthorized use, misuse or waste of UNICEF funds or property</i> | | | | |
| 93 | ECAR | Misuse of UNICEF information technology resources and engagement in outside activities | Nil | Investigation report submitted to DHR. |

^a The entries in this table are not numbered consecutively; the reference numbers correspond to OIAI internal records.

^b The UNICEF regions listed in this table are: EAPR: East Asia and the Pacific; ECAR: Europe and Central Asia; ESAR: Eastern and Southern Africa; LACR: Latin America and Caribbean; MENA: Middle East and North Africa; SA: South Asia; and WCAR: West and Central Africa.