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Update on the status of implementation of the recommendations in the self-assessment of the independence of the UNICEF Office of Internal Audit and Investigations

Summary

This document provides an update on management actions to implement the suggestions and pathways to further strengthen the independence of the UNICEF Office of Internal Audit and Investigations as recommended in its self-assessment, presented to the Executive Board in document [E/ICEF/2022/26](#) at its second regular session of 2022.

* [E/ICEF/2023/24](#).

Note: The present document was processed in its entirety by UNICEF.



I. Overview

1. In accordance with Executive Board decision 2023/13, the present document provides an update on the actions taken by UNICEF management to implement the suggestions and pathways to further strengthen the independence of the UNICEF Office of Internal Audit and Investigations (OIAI) as recommended in its self-assessment ([E/ICEF/2022/26](#)) and provides explanations for any recommendations that have not been fully implemented or agreed to by management.

II. Introduction

2. In decision 2022/15 adopted at its annual session of 2022, the Executive Board requested the UNICEF Director of OIAI to provide during the second regular session of 2022, an assessment on the independence of the Office containing reflections on the degree to which the Office can determine freely, among other matters:

- (a) how and when to report to and brief the Executive Board;
- (b) the scope of audits and investigations;
- (c) what and who to audit or investigate;
- (d) what assessments to make;
- (e) how to utilize available funds;

(f) its relationship with the Office of Internal Oversight Services; and to also provide suggestions and pathways on how to further strengthen the independence of the Office.

3. The Director of OIAI provided the result of the review of the functions of the Office to the Executive Board at its second regular session of 2022. Subsequently, the Executive Board, in decision 2022/21, took note of the suggestions and pathways recommended in the assessment of the independence of the Office, and requested that UNICEF take action, as appropriate, to implement the assessment's recommendations.

4. At its annual session of 2023, the Executive Board requested UNICEF to provide an update in writing, at the second regular session of 2023, on the status of implementation of the recommendations included in the self-assessment of the independence of the Office, and explanations for any recommendations that have not been fully implemented or agreed to by management.

III. Update on management actions to implement the recommended suggestions and pathways

5. UNICEF has fully implemented five of the eight suggestions and pathways to strengthen the independence of OIAI. As requested by the Executive Board, UNICEF presents below the status of the implementation of the pertinent recommendations.

6. *Communication with the Executive Board* (Implemented): In accordance with its [Charter](#), OIAI has the independent authority to report to the Executive Board on its operational activities as well as any other matters it deems appropriate. Management is certain that the Office has adequate authority, as enshrined in the Charter, to have regular interactions with the Executive Board on matters of interest to the Board. In addition to presenting its annual report to the Executive Board, OIAI has further strengthened its engagement with the Executive Board by providing two

closed briefings in August 2022 and May 2023, a practice that is expected to be sustained.

7. *Consultation with the Executive Board with respect to any change in the employment status of the Director of OIAI* (Implemented): The UNICEF Executive Director takes decisions regarding the removal, appointment, or contract renewal of her direct reports, including the Director of OIAI. This is aligned with the [2021 Note by the Secretary-General](#)¹ on the related recommendation included in JIU report. Nonetheless, management provides updates to the Executive Board on changes in the employment status of the Director of OIAI, including consulting with the UNICEF Audit Advisory Committee on the appointment, removal or contract renewal of the Director.

8. *Communication from the Executive Board with respect to its expectations for risk management and risk appetite for UNICEF, and links between risk management and oversight activities* (Under implementation): The implementation of this recommendation is ongoing. The newly appointed Chief Risk Officer is developing a multi-year road map to strengthen risk management, which will include activities to develop insightful risk reporting to the Executive Board, and the adoption of a risk appetite statement for UNICEF. The Executive Board has further requested UNICEF to include an item for decision at the first regular session of 2024, on the development of an overarching system for enterprise risk management, including an update on progress on the recommendations from the internal audit of enterprise risk management and the Chief Risk Officer's initial assessment of the UNICEF risk management system.

9. Based on the outcomes of this planned decision item, management awaits direction from the Executive Board on its expectations for risk management and risk appetite for UNICEF, including the linkages between risk management and oversight activities.

10. *Providing the budget needed by the Office to effectively implement its mandate* (Implemented): Management continues to strive to meet the resource needs of OIAI to effectively implement its mandate. UNICEF management will continue to work with OIAI to ensure that it is adequately resourced.

11. *Ensure that requests from donors for specific assurance activities and information on investigations are consistent among donors, necessary and respectful of the oversight processes and the single audit principle and do not interfere with the independence of the Office* (Under implementation): The increasing conditionalities and requests from donors for specific assurance activities may impede the ability of OIAI to independently execute its mandate. It is essential to note that OIAI operates with impartial judgment in choosing, defining, executing, scheduling and communicating the outcome of its undertakings. Management can confirm that OIAI, along with other concerned UNICEF divisions and offices, is seeking consultations with donors to set reasonable expectations concerning donors' increased requests for information related to investigations and audits. This is to ensure that such requests are consistent and are aligned with the single audit principle without interfering with the independence of OIAI.

12. *Ensure that key policy changes in UNICEF do not affect the Office's ability to maintain business continuity and its independence* (Implemented): The functions and independence of OIAI are enshrined in its Charter and the UNICEF financial regulations and rules and demonstrated through its direct access and reporting to the

¹ United Nations, Review of the state of the investigation function: progress made in the United Nations system organizations in strengthening the investigation function, Note by the Secretary-General, A/75/719/Add.1, United Nations, New York, 21 January 2021.

Executive Director and the Executive Board. Management is committed to ensuring business continuity and the independence of OIAI. Management confirms that recent key policy updates do not affect the ability of OIAI to maintain business continuity and its independence, and that OIAI is protected by the UNICEF policy framework to independently determine which cases it will consider for investigation. UNICEF has implemented a procedure effective 1 September 2021 that requires policy changes to undergo a minimum of two stages of detailed consultation prior to being finalized and issued in the Regulatory Framework Library. All offices and divisional policy focal points, including the OIAI focal point, are consulted before any policy or procedure is adopted. These extensive processes ensure, among others, that policy changes do not impact OIAI ability to maintain its independence and business continuity.

13. *Ensure the UNICEF policy framework adequately protects the ability of OIAI to independently determine which cases it will consider for investigation* (Implemented): Please refer to the response on paragraph 12. Further, OIAI has the authority, as specified in paragraph 31 of its Charter, to independently decide on cases to investigate.

14. *Encourage the organization to increase the use of alternative dispute resolution mechanisms to address interpersonal conflict and behavioural issues in lieu of investigations, and incentivize and equip staff and management to address and resolve conflict, whenever appropriate* (Under implementation): With regard to investigations, management notes that a number of cases coming to OIAI require action by management rather than an investigative process. In this regard, UNICEF will continue to explore and increase the use of alternative dispute resolution mechanisms to address interpersonal conflict and behavioural issues rather than investigations. An example is the recent investments made in strengthening human resources capacity to guide staff and managers on issues that may require escalation. UNICEF is also planning training for more than 4,400 line managers that will include, among other areas, conflict resolution.

15. UNICEF is completing an update of its disciplinary policy. The revised policy will further clarify the OIAI focus on matters requiring investigative interventions.

IV. Conclusion

16. UNICEF has fully implemented five of the eight suggestions and pathways to strengthen the independence of OIAI, as recommended in its self-assessment presented to the Executive Board. The implementation of the remaining three recommendations is ongoing.