

UNICEF 2020 Financial Report and Audited Financial Statements and Management Response to the Report of the Board of Auditors

Thomas Asare
Comptroller



UNICEF Executive Board – 2022 First Regular Session (8-11 February 2022)

Item 10 – UNICEF financial report and audited financial statements for the year ended 31 December 2020 and report of the Board of Auditors, and management response

Reference documents: [A/76/5/Add.3](#), [E/ICEF/2022/AB/L.2](#)

2020 UNICEF Financial Performance

HIGHLIGHTS

Revenue

- High overall contributions recorded in 2020. Revenue from voluntary contributions - **\$7.30 billion** (2019: \$6.20 billion).
- **\$1.46 billion** was fully earmarked for COVID-19 response.

Expenses

- Total expenses (classified by nature of expense) increased in 2020 to **\$6.40 billion** (2019: \$6.26 billion).
- The total expense classification by budgetary category is on page 121 of the financial statements (Ref: A/76/5/Add.3) that shows programme related expense as **90.6%** including Development Effectiveness.
- MENA, ESA, and WCA Regions accounted for 72% of the Cash Assistance Programme.
- Transfer of programme supplies increased by \$0.16 billion to \$1.15 billion (2019: \$0.98 billion) in response to COVID-19 activities.

Net surplus for the year was **\$1.22 billion** (2019: \$0.19 billion) includes earmarked funds related to multi-year agreements.

(In billions of United States dollars) Dec 2019 Dec 2020

Revenues

Voluntary Contributions	6.20	7.30
Other	0.21	0.25
Total revenue	6.41	7.55

Expenses

Cash Assistance Programme	2.35	2.26
Transfer of Programme Supplies	0.98	1.15
Employee Salaries and Entitlements	1.52	1.66
Other Programme Support Expenses	1.41	1.33
Total expenses	6.26	6.40
Net Surplus before Gains & Losses	0.15	1.15
Gains net	0.04	0.07
Net surplus	0.19	1.22

2020 UNICEF Financial Position

HIGHLIGHTS

ASSETS

- Total Investment increased by \$1.06 billion (\$4.73 to \$5.79) consistent with increase in voluntary contributions from donors.

LIABILITIES

- Total liabilities stood at \$4.12 billion (2019: \$3.44 billion).

NET ASSETS

- Strong** net assets base confirming healthy overall financial position (fund balances and reserves).

Accumulated surplus: Includes earmarked resources related to multi-year agreements, for which related expenditure will be incurred in future years in line with donor agreements.

(In billions of United States dollars)	Dec 2019	Dec 2020
Assets		
Cash & Investments	5.52	6.50
Contribution Receivables	3.33	3.69
Other	2.32	2.83
Total assets	11.17	13.02
Liabilities		
Funds held on behalf of third parties	1.15	1.42
Employee benefits liabilities	1.63	1.89
Others	0.66	0.81
Total liabilities	3.44	4.12
Net assets		
Accumulated surpluses	7.73	8.90
	6.85	7.89

Internal Control Attestation and Audit Opinion

UNICEF issued its first Statement on Internal Controls for all its operations for 2020

- The statement on internal controls is a public accountability document that provides reasonable assurance that UNICEF operated under an effective system of internal control.
- Marks an important milestone towards achieving greater accountability for results.

UNICEF received an unqualified audit opinion for the year ended 31 December 2020

- The financial statements and the report of the Board of Auditors were:
 - Transmitted to the General Assembly in September 2021.
 - Examined by the Advisory Committee on Administrative Budgetary Questions (ACABQ) in October 2021.
 - Considered by the Fifth Committee in December 2021.
- The financial statements and report of the Board of Auditors are being presented to the UNICEF Executive Board at the first regular session of 2022.
- A detailed management response on the report of the United Nations Board of Auditors was provided (Reference document: [E/ICEF/2022/AB/L.2](#))
- Report of the Advisory Committee on Administrative and Budgetary Questions (A/76/554)
- Report of the Secretary-General (A/76/307/Add.1)

Summary Status of Board of Auditors' Open Items

Recommendations	2016	2017	2018	2019	2020	Total
Issued by United Nations Board of Auditors	36	36	48	55	22	197
Implemented as per 2020 UNBOA Report	35	35	43	40	-	153
Outstanding as per 2020 UNBOA Report	1*	1*	5*	15	22	44
UNICEF Closure requested	-	1	5	1	11	18
UNICEF Not accepted**	-	-	-	1	1	2
UNICEF Implemented Total	35	36	48	41	11	171
UNICEF Implemented (%)	97%	100%	100%	76%	52%	87%
Outstanding as per UNICEF Status	1	-	-	13	10	24

***Long-standing:** Six (6) of the seven long-standing recommendations are fully implemented with a request for the United Nations Board of Auditors' review for closure. *Reference: 2017/055, 2018/079, 2018/140, 2018/169, 2018/204 and 2018/211.* Only one, 2016/111 is in progress.

Recommendations Not accepted:

1. In 2020 - Evaluate budget formulation process to improve methodology and basis of estimation of post/non-post costs (2020/122). The recommendation is not applicable, as the noted variances could be explained and did not result from a budget formulation process that needs improvement.
2. In 2019 - Classifying long-term components of the ASHI investment as non-current (2019/16). UNICEF ASHI long-term instruments have high turnover. Non-current classification may inaccurately indicate instruments are held to maturity.

Thank you.

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