

Agenda Item 10

UNICEF financial reports and audited financial statements for 2020 and report of the Board of Auditors

Thank you Chair

I am speaking on behalf of the European Union as a donor.

We take note of the unqualified audit opinion from the Board of Auditors on the 2020 financial reports and statements, with its 22 pending recommendations, and the Management response. We see it as a positive trend that the number of recommendations has been significantly reduced with regard to 2019 and welcome UNICEF's commitment to promote a culture of integrity, transparency and accountability in delivering results for children.

We note that UNICEF has already implemented seventy-two outstanding recommendations that were open at the beginning of the financial year 2020. We hope that it will implement most remaining recommendations at the earliest, notably the long-standing ones.

With regard to procurement activities, we strongly support the Board's recommendation that the UNICEF Supply Division strengthen, in coordination with country and regional offices, its forecasting procedure. We considered crucial the recommendation to consider adjusting forecasts in a timely manner in order to ensure uninterrupted supplies and avoid hampering the health and nutrition programmes.

We welcome that UNICEF is progressively improving its processes and tools supporting the harmonized approach to cash transfers framework. We would like to hear whether UNICEF has managed to finalise the regulatory procedure for cash transfers directly to beneficiaries in order to ensure accurate financial reporting of these modalities.

We welcome that in line with its 2018 anti-fraud strategy, anti-fraud awareness activities and training continued for UNICEF staff in 2020. However, based on the Board of Auditors' review, we strongly encourage the Supply Division to ensure participation of all its staff in the mandatory courses on anti-fraud awareness and ethics and integrity. We would like to remind that the EU, in the context of its zero tolerance policy, remains fully committed to the fight against any form of fraud, corruption and sexual exploitation and request all its partners to align with it.

In this respect, we welcome that in 2020 UNICEF collaborated with six other United Nations entities to develop fraud awareness training targeted at implementing partners. We support UNICEF's commitment to take immediate and appropriate measures towards implementing partners involved in fraudulent activities by recovering losses and barring such partners from further partnerships with UNICEF and other United Nations entities. We strongly encourage further joint initiatives with other UN agencies, addressing their staff and implementing partners' staff, to promote ethics, integrity and anti-fraud measures.

Thank you.