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**UNICEF Office of Internal Audit and Investigations 2020  
annual report to the Executive Board***Summary*

This report reviews the activities of the Office of Internal Audit and Investigations and its key results. It contains the opinion of the Office on the organization's framework of governance, risk management and control, with supporting criteria and analysis, work summaries and rationale.

The addendum to the UNICEF Office of Internal Audit and Investigations 2020 annual report to the Executive Board ([E/ICEF/2021/AB/L.3/Add.1](#)) provides information on the investigations cases that were closed by UNICEF in 2020.

The revised Charter of the Office of Internal Audit and Investigations ([E/ICEF/2021/AB/L.5](#)) is presented to the Executive Board in conjunction with this report.

Section XII of this document presents a draft decision for consideration by the Executive Board. The management response to this report is presented separately in document ([E/ICEF/2021/AB/L.4](#)).

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\* [E/ICEF/2021/9](#).



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## I. Overview

1. The Office of Internal Audit and Investigations (OIAI, or the “Office”) responded to the coronavirus disease 2019 (COVID-19) pandemic by adapting its operations to fit the needs of this unprecedented Level 3 global emergency. In May 2020, OIAI revised its annual audit workplan and moved exclusively to remote auditing and investigations. The modified plan, approved by the Executive Director, addressed the rapidly changing global landscape and emerging risks to UNICEF. The plan was based on the risk analysis of the Office and feedback from consultations across UNICEF and with the Audit Advisory Committee. Throughout the year, OIAI monitored the effectiveness and challenges of the new ways of working and made adjustments as needed.

2. Circumstances necessitated adjustments to the number of assurance activities and to how audits were conducted. However, in accordance with the Executive Board decision 2015/11, OIAI is pleased to report that based on the scope of work undertaken in 2020, the UNICEF framework of governance, risk management and controls was generally adequate and effective.

3. The Office confirms that during 2020 it was free from management interference in determining the scope of its internal audits and investigations, performing its work and communicating its results.

4. The Office advanced its internal restructuring and reorganization plans, including decentralizing through the opening of an office in Budapest, scaling up of investigations capacity and restructuring the Internal Audit Section. OIAI also completed most of its intended recruitments for the year.

5. The Internal Audit Section of OIAI issued 23 reports in 2020 (17 country office audit reports, 1 thematic audit report, 1 joint audit report and 4 advisory reports). In addition, two internal audits are in the reporting phase. Overall, the Office achieved 82 per cent of the revised 2020 risk-based workplan.

6. Notably, 94 per cent of the internal audit reports issued in 2020 contained conclusions that were generally satisfactory (i.e., either “unqualified” or “moderately qualified”<sup>1</sup>). As of 31 December 2020, there were 15 agreed actions open for more than 18 months.<sup>2</sup> The Office published all audit reports issued in 2020 in conformance with criteria defined by the Executive Board.

7. During 2020, there was not only a move to solely remote investigations but also a transition to a new investigative management team and new structure, with a dedicated intake and policy team and a second investigative unit based in Budapest. In 2020, the Investigations Section handled 520 cases, a 4 per cent increase over 2019. Although the number of new cases initiated (308) declined by 15 per cent and the number of cases closed (253) declined by 12 per cent compared with 2019, the Investigations Section continued to receive a significant number of inquiries, including more than 3,800 emails sent to its hotline.

8. In 2020, the Office revised its office management plan, which included scaling up advisory services; expanding use of data analytics; and restructuring the audit function. Notwithstanding the compelling need to scale up internal audit resources, the revised office management plan was approved without additional allocation of funds, thus limiting the ability to address all emerging risks to its strategic objectives.

<sup>1</sup> The definitions of the four audit conclusions are explained in annex I.

<sup>2</sup> Six of the fifteen agreed actions were closed subsequent to the end of 2020.

9. Responding to recommendations from the United Nations Board of Auditors, the Joint Inspection Unit and external assessments, OIAI has proposed a revised Charter, which is presented in conjunction with this report.

## **II. Internal audit assurance opinion for 2020**

### **A. Overall opinion**

10. UNICEF management is responsible for establishing and maintaining effective internal controls, governance and risk management processes to ensure organizational objectives are achieved, and OIAI is responsible for independently assessing the adequacy and effectiveness of such a framework. As a result of the global pandemic, the assurance work conducted by OIAI in 2020 was impacted by the number of assurance engagements undertaken and the necessity of conducting those engagements remotely. Nonetheless, in the opinion of OIAI, based on the scope of the work undertaken in 2020, the UNICEF framework of governance, risk management and controls was generally adequate and effective.

### **B. Basis of opinion**

11. The overall audit opinion for 2020 is based on the following factors:

(a) Risk-based planning and prioritization of assurance activities by OIAI that take into consideration available internal audit resources and the impacts of the COVID-19 pandemic;

(b) Conclusions of the internal audits completed during the year;

(c) Implementation rate of actions agreed to mitigate the risks identified;

(d) Non-discovery in any of the completed audits of material deficiencies in the organization's overall framework of governance, risk management and controls that might individually or collectively diminish the achievement of significant outcomes globally.

### **C. Implementation of the risk-based workplan**

12. The Office used a risk-based methodology to identify, select and prioritize its assurance activities, directing audit resources towards the areas of greatest risk to UNICEF. During its workplanning for 2020 and 2021, the Office identified a number of additional risks it was unable to address, primarily due to resource constraints. Nonetheless, based on the scope of the work that was undertaken in 2020, OIAI remains able to fulfil the requirement of the Executive Board to provide an overall opinion on the UNICEF framework of governance, risk management and controls.

13. Using a risk-based methodology, the Office revised its original 2020 annual audit workplan soon after the onset of the global pandemic and moved exclusively to remote auditing and investigations. Inherent challenges posed by fully remote auditing, necessitated by the pandemic, include the absence of in-person interactions and visits to UNICEF field offices, project sites, partners and affected communities, and the absence of access to original documentation. The Office nonetheless substantially mitigated the audit risks created by these challenges by analysing information available electronically or remotely, conducting online interviews of key personnel within UNICEF and with donors and implementing partners, and expanding sources of data and the use of data analytics.

14. The revisions to the original audit workplan addressed the rapidly changing global landscape and emerging risks to UNICEF identified by OIAI analysis and

through consultations across UNICEF and with the Audit Advisory Committee. The revised plan thus put OIAI in a strong position to meet its assurance obligations while at the same time increasing its advisory activities.

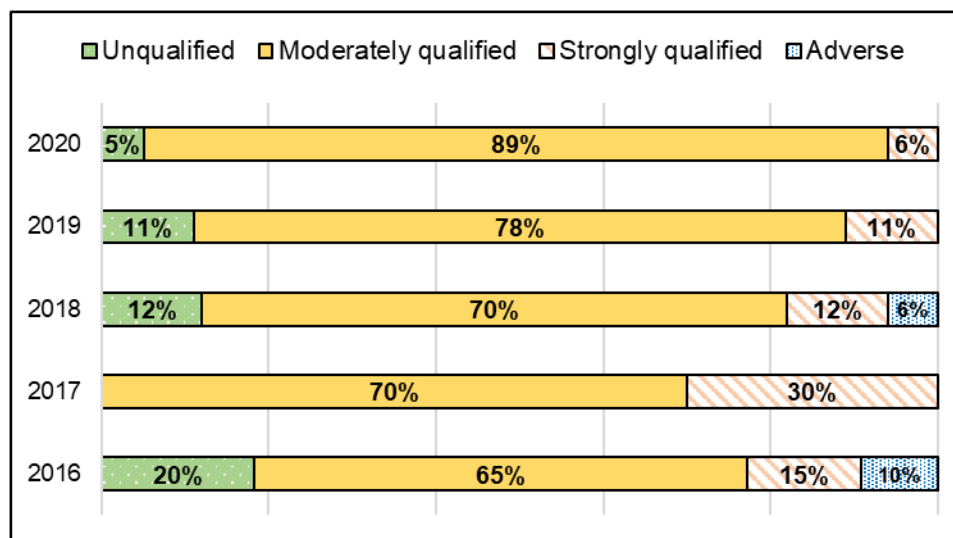
15. Annex I lists the 23 internal audit reports, which span 17 country offices, one thematic audit, one joint audit and four advisory engagements issued in 2020. As 2020 came to a close, two additional audits were in the reporting phase. The 17 country offices audited account for 29 per cent of the UNICEF allotted expenditure for country and regional offices in 2020. The thematic audit of the harmonized approach to cash transfers (HACT) relates to cash transferred to implementing partners. In 2019, cash transfers to approximately 9,000 implementing partners totalled \$2.2 billion, representing an increase of \$200 million compared with 2018 and approximately 35 per cent of total UNICEF expenditure in 2019. The UNICEF Accountability Framework and the UNICEF emergency procedures for COVID-19 response, the subjects of the two of the advisories conducted in 2020, are central to effective and efficient management across UNICEF. The present overall assurance opinion is based on all of these reports.

#### D. Conclusions of internal audit engagements completed

16. The Office uses a four-tier scale for distinguishing the conclusions in its internal audit reports – unqualified, moderately qualified, strongly qualified and adverse. The first two represent a generally satisfactory conclusion, while the latter two signify a more urgent need to improve the controls and processes in the audited areas.

17. As figure I (below) shows, in 2020, 94 per cent of assurance activities resulted in generally satisfactory conclusions. This is consistent with the positive trend from previous years. 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, OIAI derives additional confidence in these results from the overall breadth of coverage of the audits and the significance of risks involved in the audited operations. (See table 1 for the distribution of audit conclusions.)

Figure I  
Audit report conclusions, 2016–2020



## **E. Implementation rate of agreed actions**

18. The Office continuously assesses progress by management to take adequate action to mitigate the risks identified by the audits. Overall, efforts are being made to implement agreed actions in a timely way. While it is too early to evaluate the timeliness of implementation for agreed actions in audit reports issued in 2020, OIAI derives confidence from timeliness of implementation of agreed actions. As at 31 December, 94 per cent of agreed actions from 2018 and 74 per cent of agreed actions from 2019 had been implemented.

19. As at 31 December 2020, there remained 15 agreed actions pending implementation for more than 18 months from the dates of the respective final reports (see annex II for details). The Office periodically shares updates with UNICEF management on the implementation status of agreed actions, and OIAI has just launched a website, accessible to all staff, that reports on open agreed actions.

## **F. Material deficiencies**

20. Internal audit reporting by OIAI involves extensive consultations with the management of an audited office or activity, to agree on the appropriate actions that best respond to concerns identified by the audit with respect to risk prioritization and adequacy of controls to mitigate risk. The actions are then rated as high, medium or low priority, depending on the potential impact should the risk materialize. Only high- and medium-priority actions are included in an audit report; low-priority actions are informally communicated to the audited entity.

21. Thirteen per cent of all 166 agreed actions (see annex I for details) from 2020 audits were rated as high priority. While these actions were imperative to reduce the exposure to higher risks, in the view of OIAI, they were not sufficient to adversely impact the organization's overall framework of governance, risk management and controls.

## **III. Mandate**

22. The mission of OIAI, as defined in its Charter, is to provide independent and objective assurance, advisory and investigative services that are 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;
- (e) Financial, managerial and operating information has been accurate, reliable and timely.

23. Investigations help UNICEF to maintain a culture of integrity and foster accountability by examining and determining the veracity of allegations of misconduct, including sexual exploitation and abuse and sexual harassment and abuse, as well as fraudulent and corrupt practices involving UNICEF staff and third parties.

24. The Office has proposed an updated Charter that incorporates current best practices as well as recommendations from the External Quality Assessment, professional standards, United Nations Board of Auditors and the Joint Inspection Unit. The Charter, presented in conjunction with the present report, has been approved by the Executive Director and incorporates feedback from the Audit Advisory Committee.

## IV. Independence

25. In accordance with its mandate:

(a) The OIAI Director continued to report and be accountable to the Executive Director on the planning and execution of the Office's work;

(b) The OIAI Director maintained direct communication with the Executive Director, including concerning the staffing and budget required to achieve the mission of the Office;

(c) The Audit Advisory Committee continued to provide independent advice to the Executive Director on the work of the Office;

(d) The Office independently reported to the Executive Board on its findings and concerns.

26. The Office confirms that during 2020 it was free from management interference in determining the scope of its internal audits and investigations, performing its work and communicating its results.

## V. Professional standards

27. 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 Representatives of the Internal Audit Services of the United Nations system organizations in June 2002.

28. The Office maintains an internal quality assurance and improvement programme, which includes engagement-level quality assurance, ongoing self-assessments (including feedback from clients) and an external quality assessment of the internal audit function (every five years). The last external quality assessment was completed in 2019,<sup>3</sup> and the Office received the top rating of "general conformance" with the International Standards for the Professional Practice of Internal Auditing and with the Institute of Internal Auditors' Code of Ethics.

29. The Office conducts investigations in accordance with the Uniform Principles and Guidelines for Investigations, endorsed by the 10th Conference of International Investigators, and in conformity with the due-process principles stipulated in chapter X of the Staff Regulations and Rules of the United Nations. The Office anticipates conducting an external quality assessment for the Investigations function in 2021.

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

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<sup>3</sup> The external quality assessment is published on the UNICEF website at [www.unicef.org/auditandinvestigation/documents/iaa-external-quality-assessment-eqa-unicef-internal-audit-2019](http://www.unicef.org/auditandinvestigation/documents/iaa-external-quality-assessment-eqa-unicef-internal-audit-2019).

## **VI. Professional network**

31. During 2020, the Office remained an active member of Representatives of the Internal Audit Services of the United Nations system organizations and the United Nations Representatives of Investigation Services. Additionally, OIAI participated in periodic meetings to discuss matters to strengthen internal oversight services in the United Nations system.

32. The Office communicated with representatives of the United Nations Board of Auditors to coordinate workplanning and avoid overlaps in assurance coverage. To promote collaboration, the Office engaged in discussions with other internal oversight functions within UNICEF and with donor oversight bodies.

## **VII. Resources**

33. In 2020, OIAI had a budget of \$12.7 million, of which 95 per cent had been spent by year end. The largest expenditures were staff salaries (90 per cent) and consultants (6 per cent). OIAI returned approximately 25 per cent of its non-post budget in 2020 as part of the institutional budget realignment.

34. At the end of 2020, the Office had 49 authorized posts (with eight vacancies). These posts included the Director (aided by an Adviser), a Deputy Director, Audit and a Deputy Director, Investigations. The Office also established an office in Budapest with both investigation and audit teams. The Investigations section was restructured with a new management team that included three additional Chiefs.

35. As part of the restructuring of the Internal Audit Section, two of six P-5 posts were repurposed, and the savings from opening the Budapest office was used to create an additional audit post in Budapest. The remaining four P-5 posts were re-established with an increased focus on strategic leadership. One P-4 post was also repurposed to focus on professional practices, quality assurance, risk-based workplanning and risk monitoring.

36. Between 2009 and 2019, UNICEF expenditures grew by 90 per cent, and the number of staff grew by 38 per cent. Notwithstanding the above, and as reported by the Office in its 2019 annual report, the Internal Audit Section has had no growth during that same time period. This has limited the ability of the Office to maintain a consistent depth and breadth of audit and advisory coverage and has restricted its focus to only the most critical audit subjects and hampered its ability to adequately support UNICEF in responding to emerging risks. Moreover, during its annual workplanning for 2020 and 2021, the Office identified an assurance gap that could not be addressed, primarily due to resource constraints.

37. The request for additional resources made in the OIAI midterm review in 2020–2021 (in the context of the UNICEF midterm review of the Strategic Plan, 2018–2021) could not be considered due to the financial demands arising from the COVID-19 pandemic. The Office will present its additional resource needs in its quadrennial office management plan for the period 2022–2025. The submissions will consider the post-pandemic changes to the profession of internal auditing (e.g., remote auditing, data analytics) and the increasing and diverse demands of UNICEF management for more advisory services.

## **VIII. Internal audit results**

38. In 2020, the Office issued 23 engagement reports (see annex I).



## A. Distribution of audit conclusions

39. Ninety-four per cent of internal audit reports issued in 2020 were found to be satisfactory (i.e., unqualified or moderately qualified). The distribution across the UNICEF regions is shown in table 1, below.

Table 1

**Distribution of audit conclusions, by region and thematic area, 2020<sup>a</sup>**

<i>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>
<b>A. Country office audits</b>	<b>17</b>	<b>1</b>	<b>15</b>	<b>1</b>	<b>0</b>
Eastern and Southern Africa	4	0	4	0	0
West and Central Africa	4	0	4	0	0
East Asia and the Pacific	4	1	3	0	0
Middle East and North Africa	2	0	1	1	0
Europe and Central Asia	1	0	1	0	0
South Asia	1	0	1	0	0
Latin America and Caribbean	1	0	1	0	0
<b>B. Thematic/headquarters audits</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Total (A+B)</b>	<b>18</b>	<b>1</b>	<b>16</b>	<b>1</b>	<b>0</b>

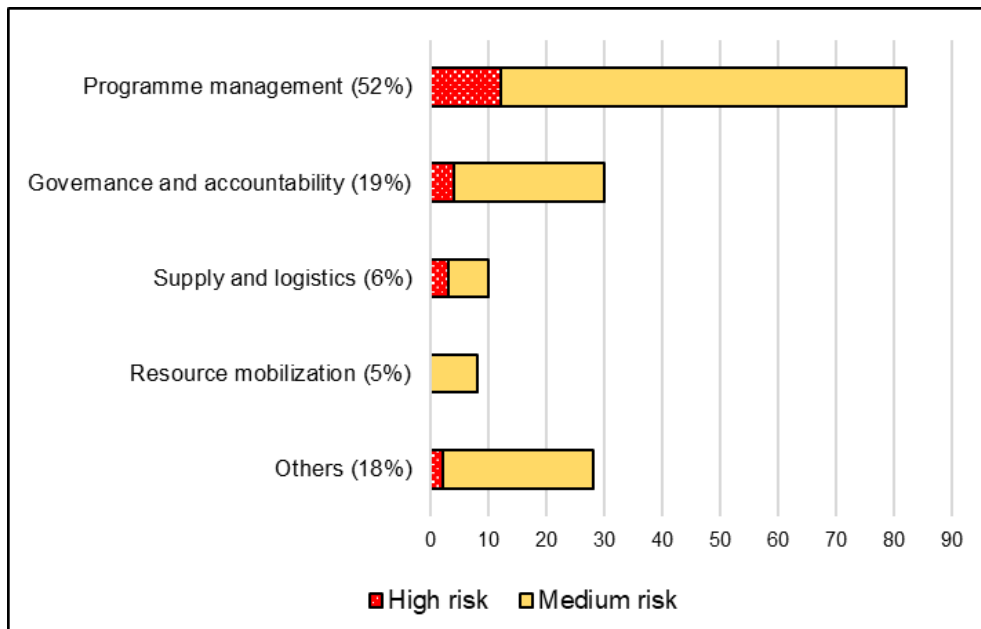
<sup>a</sup> Five reports are not included in this table: one summary internal audit report of the joint United Nations humanitarian response in Yemen, and four advisory reports that do not include standard conclusions.

## B. Significant results from internal audits of country offices

40. In 2020, OIAI audited 17 country offices across all seven UNICEF regions, focusing on the key risks identified with management during the engagement planning process.

41. The audits of country offices sought assurance of the adequacy and effectiveness of governance, risk management and controls implemented to ensure the achievement of organizational objectives. In the process, the audits identified both good practices and areas for improvement and agreed with management on needed actions to address any shortcomings. Figure II provides a summary of the agreed actions.

Figure II  
Country office audit agreed actions, 2020, by area, prioritized by risk level



42. The subsequent paragraphs describe the area in which 82 per cent of all agreed actions for the country office audits fall.

### 1. Programme management

43. Actions to mitigate the risks related to programme management represented 52 per cent of the actions agreed by country offices in 2020. These include:

(a) **Planning:** Strengthen programme planning through improved alignment of the results chain, early identification of reliable information sources and reduction in data gaps for key indicators; review programme strategies' alignment with office structure; establish baselines to assess progress against targets and inform management decisions; and enhance the quality and timeliness of the workplanning process;

(b) **Partnerships:** Develop partnership strategies to promote sustainability of interventions and enhance collaboration with non-governmental organizations; select implementing partners through a competitive process whenever feasible;

(c) **Field monitoring:** Develop a field monitoring plan to ensure adequate coverage of field monitoring activities; update standard operating procedures to clarify processes and accountabilities of staff regarding oversight of field monitoring activities; and collaborate with other United Nations agencies and partners to reduce data gaps in indicators for the Sustainable Development Goals;

(d) **Programme assurance:** Review processing of cash transfers to identify root causes of late disbursements; establish a quality assurance process to improve the quality of reports on assurance activities; and enhance practices to ensure prompt resolution of high-priority recommendations from assurance activities;

(e) **Donor reporting:** Increase assurance over the accuracy of results reported by partners; strengthen the preparation of donor and annual reports to ensure that all key results reported are adequately supported by reliable evidence; and improve the quality review process for donor reports;

(f) Evaluation: Strengthen planning and execution of evaluations and data collection by allocating adequate financial resources and identifying internal capacity gaps.

## **2. Governance and accountability**

44. The importance of effective governance arrangements and accountability and risk management processes in an organization as decentralized as UNICEF cannot be overemphasized. The key actions agreed to in this area were to:

(a) Strengthen identification and prioritization of emerging and residual risks and risk tolerances; adjust risk mitigation measures to address threats and in particular needs generated by the COVID-19 pandemic; ensure controls in place are appropriate to mitigate residual risk; develop a pandemic response tracking system for accountability; and regularly monitor corrective actions;

(b) Ensure an adequate response to prevent, respond to and deter fraud and misconduct and engage OIAI for advice and investigation as appropriate;

(c) Enhance prevention, awareness and responses to sexual exploitation and abuse including through training of staff, contractors and implementing partners; and by establishing reporting and case management mechanisms.

## **3. Supply and logistics management**

45. OIAI assessed UNICEF supply and logistics management, procurement and contracting functions in country offices, noting several good practices as well as areas for improvement. The key actions country offices agreed to were to:

(a) Reinforce procurement planning and forecasting to ensure timely purchase and distribution of programme supplies; assess and support capacity development of implementing partners; increase oversight, support and monitoring of risks in construction projects; and strengthen current end-user supply tracking and monitoring mechanisms to confirm deliveries and obtain beneficiary feedback;

(b) Enhance contract management to minimize extensions and amendments with cost implications; and complete timely vendor performance evaluations.

## **4. Resource mobilization**

46. Evidence-based policy advocacy and resource mobilization is key to raising adequate resources to support children and achieve the objective of the UNICEF Strategic Plan. The key actions country offices agreed to in this area were to review fundraising strategies to identify ways to address funding shortfalls for programme areas; and to enhance consideration of changing contexts (from emergency response to development), including the COVID-19 pandemic.

# **C. Significant results from thematic and joint audits**

## **1. Harmonized approach to cash transfers**

47. HACT is a mechanism used for transferring cash to implementing partners and other third parties and for managing the risks associated with such transfers. In 2018, UNICEF worked with more than 9,000 implementing partners, channelling more than \$2 billion through HACT mechanisms, or about 30 per cent of UNICEF's total expenditures. Approximately 60 per cent of this amount went to government partners and 40 per cent to non-governmental organizations. The HACT mechanism includes risk assessments of potential partners that are used to determine the least risky way to transfer cash to the partner, as well as the type and frequency of assurance activities to ensure the residual risks of working with the partners are

properly managed. The thematic audit of HACT identified positive observations including the roll-out of the strategy and allocated funding for its implementation, introduction of a digital partnership management system and creation of capacity at headquarters and at regional and country-office levels. The key actions agreed to further strengthen management of HACT were to:

- (a) Review the roles, responsibilities and accountabilities for governance and oversight of HACT, particularly in regional and headquarters offices;
- (b) Ensure micro assessments are appropriately used to evaluate potential partners and determine the most appropriate cash transfer modality and the frequency and type of assurance activities;
- (c) Enhance digitization and establish systems to assess the adequacy of risk management and key performance indicators for assurance activities, and ensure timely and effective evidenced-based follow-up of high priority findings;
- (d) Strengthen HACT guidance to staff for execution of and follow-up to assurance activities and improve use of programmatic visits to ensure the effectiveness and efficiency of programme monitoring.

## **2. Joint report on the United Nations humanitarian response in Yemen**

48. Selected members<sup>4</sup> of the United Nations Representatives of Internal Audit Services issued a report summarizing the results of their individual internal audits in Yemen. The agencies accounted for more than 80 per cent of the funding received by the United Nations for Yemen. The objective of the exercise was to provide assurance of the adequacy and effectiveness of the inter-agency processes and common activities. The report concluded that:

- (a) Inter-agency governance and coordination mechanisms needed to be streamlined to minimize duplication of roles between the traditional in-country coordination platforms such as the humanitarian country team (HCT) and new platforms unique to Yemen such as the emergency cell;
- (b) While risk management and internal controls were generally established, they could be more efficient and effective through optimizing the collective strength of the United Nations HCT with respect to ensuring accountability to affected populations, managing partnership risk and monitoring programme implementation;
- (c) To better assess the impact of the United Nations humanitarian response, the HCT should facilitate an Inter-Agency Humanitarian Evaluation;

49. Following the audit, the Humanitarian Coordinator agreed to take various actions to improve the efficiency and effectiveness of the humanitarian response in Yemen.

## **D. Significant results from advisory engagements**

50. As part of its internal audit practice, OIAI provides independent objective advisory services that involve advice to promote improvements in governance, risk management and control processes. An advisory engagement is not an audit and is not intended to provide assurance on the office or processes reviewed. The demand for advisory services has steadily been on the rise and, in 2020, four advisory engagements were conducted. The key advice rendered is summarized below.

<sup>4</sup> UNICEF, World Food Programme, United Nations High Commissioner for Refugees and the United Nations Office for the Coordination of Humanitarian Affairs.

## 1. The UNICEF Accountability Framework

51. The Accountability Framework is composed of guiding principles and performance evaluation mechanisms to monitor, assess, report on and improve performance of UNICEF work.<sup>5</sup> The advisory engagement reviewed the design of the current Framework with a view to assessing whether it is fit for purpose and identifying opportunities for improvement. The advisory report included the following advice:

(a) Revise, clarify and communicate the definition of accountability to ensure staff members understand their responsibilities for their decisions and actions;

(b) Update organizational structures, reporting lines, functions, roles and responsibilities and accountabilities of country, regional and headquarters offices, and of key governance committees;

(c) Revise policies on internal controls to incorporate the Three Lines Model<sup>6</sup> to facilitate strong governance and risk management; and ensure managers are properly incentivized and held accountable for smart risk management and actions taken within the scope of delegated authority;

(d) Devise an assessment methodology to measure, monitor and report on progress in enforcing accountability;

(e) Increase capacity and resources to support the revision and monitoring of the accountability framework and develop a communication strategy for the implementation of updated framework.

## 2. Risk management process of the Djibouti Country Office

52. OIAI reviewed the risk management framework for the Djibouti Country Office and issued an advisory report that provided the following advice:

(a) Improve documentation of relationships between identified risks and their root causes and assign ownership for mitigating actions with timelines that include escalation plans;

(b) Establish a process for periodic review, update and mitigation of emerging risks associated with political concerns, resource mobilization, staff safety and security and the pandemic response.

## 3. Peer review process by the Latin America and Caribbean Regional Office and the Guatemala Country Office

53. UNICEF undertakes peer reviews of country offices to support the offices in maintaining adequate and effective governance, risk management and controls. This proactive approach to risk management is a cost-effective, second-line-of-defense function. The Office of Internal Audit and Investigations accepted the request by the regional office to evaluate its peer review process and used its planned review of the Guatemala Country Office to do so. The advisory report provided the following advice:

<sup>5</sup> UNICEF, Report on the accountability system of UNICEF, April 2009 (E/ICEF/2009/15), based on the 1998 Executive Board document, The organization of the United Nations Children's Fund, April 1998 (E/ICEF/Organization/Rev.3).

<sup>6</sup> See: The Institute of Internal Auditors Three Lines Model, available at <https://global.theiia.org/about/about-internal-auditing/Public%20Documents/Three-Lines-Model-Updated.pdf>.

(a) The regional office should strengthen staff capacity for conducting peer reviews with the use of multidisciplinary teams drawn from regional and country offices; it should also revise the peer review checklist to ensure it is based on an updated regulatory framework and appropriate sources of data;

(b) The country office should follow through on opportunities to strengthen the areas of risk management, partnership management and assurance monitoring as well as the private sector fundraising strategy.

#### **4. UNICEF emergency procedures for COVID-19 response**

54. By November 2020, UNICEF had raised \$1.3 billion through its Humanitarian Action for Children appeal and had utilized \$1.11 billion, thus testing the effectiveness of the UNICEF emergency procedures for COVID-19. The Office conducted an advisory review of risks arising from any significant gaps in the design and utilization of these emergency procedures, including with respect to monitoring and reporting on the utilization of funds. The review noted that the majority of offices viewed the procedures as helpful in expediting their responses to the pandemic. However, OIAI provided the following advice on the design and utilization of the procedures:

(a) Clarify the roles of the headquarters and regional offices to prevent duplication and confusion and reinforce accountability for decisions, actions and results;

(b) Develop a corporate communication strategy to improve implementation of emergency procedures;

(c) Clearly define global risk appetite and risk management strategies arising from the application of the emergency procedures and identify champions in each regional office for emergency responses;

(d) Strengthen the quality assurance, monitoring and reporting functions of country and regional offices and ensure the development of global key performance indicators designed to monitor and report on the utilization of the emergency procedures.

### **IX. Disclosure of internal audit reports**

55. Pursuant to Executive Board decision 2012/13, all the internal audit reports issued in 2020 were published, including two reports published with redactions. All internal audit reports disclosed to date may be accessed from the OIAI website.<sup>7</sup> Advisory reports are not subject to public disclosure.

### **X. Investigations results**

56. The OIAI Investigations Section assesses and investigates reports of possible misconduct and wrongdoing that involve UNICEF resources, staff, non-staff personnel, implementing partners and institutional contractors. The results of these fact-finding activities are transmitted to the appropriate divisions, together with supporting evidence to guide UNICEF management in deciding on administrative, disciplinary or other actions to be taken, as appropriate.

57. In 2020, the Investigations Section was restructured, and a new management team was put in place. This team includes a new Deputy Director of Investigations, a Chief of the New York-based Investigations unit, and a Chief of a new Strategy,

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<sup>7</sup> See: [www.unicef.org/auditandinvestigation/internal-audit-reports](http://www.unicef.org/auditandinvestigation/internal-audit-reports).

Intake and Analysis unit. The Investigations Section decentralized, creating a second investigations unit based in Budapest. The Investigations Section filled a total of nine investigator posts and anticipates filling the post of Chief of the Budapest-based Investigations Unit in 2021.

58. The Investigations Section actively contributed to the revision of the UNICEF policy on the disciplinary process and measures (POLICY/DHR/2020/001) and to the UNICEF policy on the prohibition of discrimination, harassment, sexual harassment and abuse of authority (POLICY/DHR/2020/002), both of which were issued in early 2020. The revised policies clarify the investigative and adjudicative processes and expand guidance on the roles of managers in responding to conflicts. The Investigations Section also put in place new internal standard operating procedures.

59. A new dedicated intake team, within the Strategy, Intake and Analysis Unit, was created to expand the focus on the initial assessment of new matters. With support from the newly expanded management team, the intake unit will assume the responsibilities previously assigned to the case coordinator. This involves providing guidance and advice to staff and managers regarding the range of options for responding to and/or reporting possible prohibited conduct, including advising on the possible role of the Division of Human Resources, the Ethics Office, the Ombudsman for United Nations Funds and Programmes, and the Office of Staff Legal Assistance, with the goal of resolving matters as early and as expeditiously as possible.

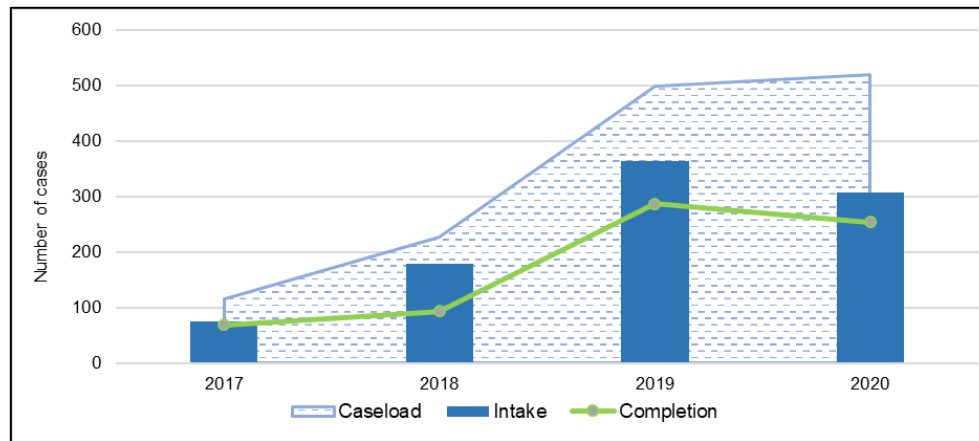
60. The Investigations Section has begun to use forensic audits to examine fraud allegations related to such external parties as implementing partners. Generally conducted under the direction of a country office but with support from OIAI, forensic audits differ from traditional investigations and audits in that they are specifically designed to identify systemic indicators of fraud and to help determine the scope of the wrongdoing and monetary losses.

61. In 2020, the Investigations Section participated in a meeting of the United Nations Chief Executives Board task force on addressing sexual harassment within the organizations of the United Nations system. Further, in 2020, all investigators were invited to participate in a training on anti-corruption and ethics in procurement led by the United Nations Development Programme.

## **A. Case management**

62. Following the Executive Director's reaffirmed commitment in 2018 to zero tolerance towards sexual exploitation and abuse and sexual harassment, the Investigations Section saw a rapid increase in reporting in this area. In 2020, the Investigations Section continued to receive a large volume of reports. Although the Section initiated slightly fewer cases than in 2019, the volume of inquiries received that required some further review and action was substantial (more than 3,800 emails).

Figure III  
Intake, completion and caseload comparison, 2017–2020



63. The Section managed 520 cases during 2020 (see table 2), comprising 211 cases carried over from the previous year (compared to 133 carried over in 2019), 308 new allegations that were opened as cases in 2020 and one case that was reopened in 2020.

64. The 308 cases opened in 2020 represented a 15 per cent decrease in yearly intake compared with 2019. In the prior three years (2017–2019), intake had steadily increased (see figure III).

65. The 520 cases managed during 2020 represented a 4 per cent increase compared with 2019 (498 cases). By the end of 2020, 254 cases had been closed, a 12 per cent decrease compared with the number of cases closed in 2019.

66. Despite travel restrictions, the Investigations Section was able to continue much of its work remotely. However, there were delays in the collection of evidence from external parties and in conducting witness interviews, which impacted the speed of case closure and resolution.

Table 2  
Investigations cases handled in 2020

<i>Status of cases</i>	<i>Number of cases</i>
Carry-over as of 1 January 2020	211
Intake during the year	308
Reopened from previous year	1
<b>Total caseload</b>	<b>520</b>
Closed during year	(254)
Cases ongoing as at 31 December 2020	266

67. The Office monitors the progress of investigations and flags cases open after nine months. This time frame serves as a guide rather than a target, as having a metric that penalizes keeping cases open for valid reasons may incentivize inadequate investigations, minimization of due process and premature closing of investigations. At the same time, OIAI remains focused on improvements in prioritizing the most critical cases and improving efficiency and effectiveness.

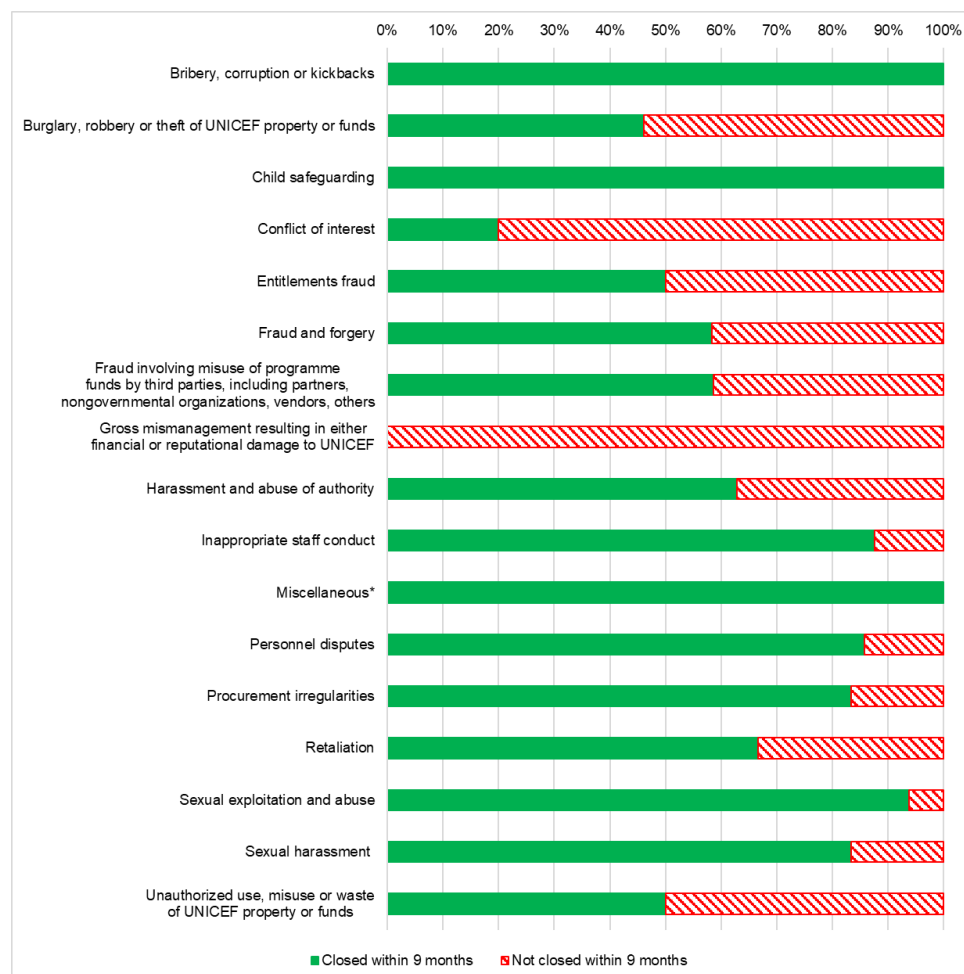


68. In 2020, OIAI closed 192 of 254 cases (75 per cent) within nine months. The average time spent on each case closed was 6.33 months.

69. Figure IV shows the percentage of cases closed within nine months, by type. The speed of closure is impacted by several factors, including the nature of the case, prioritization (for instance, all cases involving sexual harassment or sexual exploitation are prioritized) and complexity (cases of fraud involving external parties generally take longer to resolve).

Figure IV

**Percentage of cases closed within nine months in 2020, by case type**



## B. Analysis of allegations received

70. Allegations received in 2020 that were opened as cases are categorized by type in table 3. The largest category was sexual exploitation and abuse (60 allegations received), followed by inappropriate staff conduct (56 allegations received), with both categories showing an increase from the previous year. The number of cases of alleged fraud involving misuse of programme funds by third parties (e.g., implementing partners, vendors) also increased, with 48 cases.

Table 3  
Case intake, by category, 2019 and 2020

	<i>Number of cases started in 2020</i>	<i>Number of cases started in 2019</i>
Bribery, corruption or kickbacks	8	13
Burglary, robbery or theft of UNICEF property or funds	6	10
Child safeguarding	4	
Conflict of interest	12	13
Entitlements fraud	3	9
Fraud and forgery	11	30
Fraud involving misuse of programme funds by third parties	48	44
Gross mismanagement	3	4
Harassment and abuse of authority	35	58
Inappropriate staff conduct	56	47
Medical Insurance Plan fraud	3	5
Personnel disputes	11	19
Procurement irregularities	12	6
Retaliation	2	3
Sexual exploitation and abuse	60	29
Sexual harassment	15	36
Unauthorized use, misuse or waste of UNICEF property or funds	2	2
Miscellaneous*	17	36
<b>Total</b>	<b>308</b>	<b>364</b>

\* *Note:* The category titled “Child safeguarding” is new in 2020, hence no cases are reported in 2019. The category titled “Miscellaneous” comprises matters that are prima facie not related to misconduct, e.g., performance management issues.

71. Table 4 breaks down allegations received by location.

Table 4  
Case intake, by UNICEF region, 2019 and 2020

UNICEF region	2020		2019	
	Number of cases	Percentage of the total	Number of cases	Percentage of the total
Headquarters	34	11	35	10
East Asia and the Pacific	15	5	20	5
Eastern and Southern Africa	56	18	65	18
Middle East and North Africa	65	21	79	22
South Asia	34	11	55	15
West and Central Africa	59	19	57	16
Europe and Central Asia	17	6	13	4
Latin America and Caribbean	17	6	29	8
Other <sup>a</sup>	11	3	11	3
<b>Total</b>	<b>308</b>	<b>100</b>	<b>364</b>	<b>100<sup>b</sup></b>

<sup>a</sup> "Other" comprises matters that were referred to non-UNICEF entities (including National Committees).

<sup>b</sup> 2019 figures reflect rounding and may not add up to 100 per cent.

### C. Disposition of completed cases

72. The Office issued 47 investigation reports and 124 referrals in 2020. Twelve of the 254 completed cases in 2020 were closed because the investigation did not substantiate the allegation. The disposition of cases completed in 2020 is summarized in table 5, and details of each closed case are provided in the addendum to the present report ([E/ICEF/2021/AB/L.3/Add.1](#)).

Table 5  
Disposition of cases completed in 2020

Type of closure	Number of cases
<b>Investigation report</b>	<b>47</b>
(a) Submitted to the Deputy Executive Director, Management (staff misconduct)	38
(b) Submitted to the Ethics Office (whistle-blower retaliation)	3
(c) Submitted to other UNICEF offices or other United Nations entities (non-staff contractual matters)	6
<b>Closure memorandum</b>	<b>12</b>
(a) Allegation not substantiated	12
(b) Allegation in which no perpetrator was identified	0
<b>Advisory memorandum</b>	<b>2</b>
<b>Other</b> (lack of actionable information sufficient to commence an investigation)	<b>69</b>
<b>Referral</b> made to another UNICEF office or other entity	<b>124</b>
<b>Total cases closed in 2020</b>	<b>254</b>

73. The largest number of closed cases related to prohibited conduct: inappropriate staff conduct (48 cases), harassment and abuse of authority (35 cases), and sexual

exploitation and abuse (32 cases). The Office established financial losses to UNICEF from 11 cases amounting to \$578,423.

#### **D. Disciplinary measures and other actions taken by UNICEF**

74. While OIAI is responsible for conducting necessary investigations, the Division of Human Resources or other units are responsible for taking appropriate action based on the OIAI findings. The Office submitted 64 matters to the Division of Human Resources, including investigation reports directed to the Deputy Executive Director, Management, closure memorandums and referrals, for consideration of disciplinary or other action. Disciplinary actions taken as a result of OIAI findings are reported by the Deputy Executive Director, Management, in the UNICEF report on disciplinary measures and other actions in response to misconduct. In 2020, those actions included:

- (a) Eleven staff members dismissed or separated from service as a result of disciplinary action following an investigation;
- (b) One staff member demoted;
- (c) Seven staff members lost steps;
- (d) Three staff members were censured;
- (e) Three staff members separated from UNICEF prior to any disciplinary process, but who would have been subject to disciplinary action had they remained in service;
- (f) Seven staff members reprimanded after it was determined that their conduct had been inappropriate but did not rise to the level of misconduct;
- (g) Eighteen cases were not substantiated.

### **XI. Strategic road map**

75. In line with the strategic direction outlined in the OIAI midterm review, the Office reorganized its operating structures and decentralized its offices. Looking ahead, the Office will continue to strive to be a catalyst for improved risk management across UNICEF and will strengthen collaboration with other assurance providers to provide more effective coverage and reduce assurance costs. These actions will serve as the foundation for the office management plan for the period 2022–2025.

76. The office will focus its future strategic direction on:

- (a) Improving risk identification, prioritization and mitigation;
- (b) Learning lessons from the impact of the COVID-19 pandemic on the execution of audits and investigations;
- (c) Increasing resources to adequately meet the OIAI needs and stakeholder expectations;
- (d) Scaling up assurance and advisory services in line with the evolving risk profile of the organization and expectations of stakeholders, with an emphasis on preventing significant assurance gaps;
- (e) Leveraging opportunities for reliance on the work of other assurance providers to enhance the assurance provided to UNICEF;

(f) Expanding the use of technology and data analytics to improve risk identification and trend analysis and increase the efficiency and effectiveness of OIAI operations;

(g) Developing operating procedures for fraud investigations, acquiring forensic accounting expertise and leveraging forensic audits to advance fraud investigations involving partners and vendors;

(h) Developing reliable mechanisms to ensure early and efficient resolutions of conflict and possible misconduct;

(i) Including as a focus in each country office audit, among other things, an examination of efforts towards organizational improvement and efficiencies through simplification of processes.<sup>8</sup> This includes an emphasis on confirming that the proposed simplified process still adequately mitigates the risk that the process was intended to address and achieves an acceptable risk tolerance level.

## **XII. Draft decision**

### *The Executive Board*

1. *Takes note* of the UNICEF Office of Internal Audit and Investigations 2020 annual report to the Executive Board ([E/ICEF/2021/AB/L.3](#)), its addendum ([E/ICEF/2021/AB/L.3/Add.1](#)) and its management response ([E/ICEF/2021/AB/L.4](#)), as well as the UNICEF Audit Advisory Committee 2020 annual report to the Executive Board, and welcomes the overall opinion of the adequacy and effectiveness of the organization's framework of governance, risk management and control;

2. *Also takes note* of the revised Charter of the UNICEF Office of Internal Audit and Investigations ([E/ICEF/2021/AB/L.5](#));

3. *Requests* UNICEF to provide information on the additional resource needs for the Office to address coverage gaps, as part of the submissions for the UNICEF Strategic Plan, 2022–2025 and integrated budget, 2022–2025, and to ensure that adequate human, financial and technology resources are provided to the Office.

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<sup>8</sup> This will be part of a unified approach to audit engagements in country offices focusing on five priority areas. The other four areas are: prevention of sexual exploitation and abuse; enterprise risk management; vaccine supply chain management and systems strengthening; and implementing collaborative partnerships.

## Annex I

Audit and advisory reports issued in 2020<sup>a</sup>

No.	Reference number	Region <sup>b</sup>	Audit and advisory reports	Number of agreed actions		Report conclusion <sup>c</sup>
				Total	High priority	
<b>I. Audit reports</b>						
<b>A. Country offices</b>						
1.	2020/01	ECA	Kazakhstan	6	0	Q-M
2.	2020/02	WCA	Burkina Faso	13	0	Q-M
3.	2020/03	WCA	Congo	7	2	Q-M
4.	2020/04	EAP	Papua New Guinea (follow-up)	2	0	U
5.	2020/05	MENA	Lebanon	7	2	Q-M
6.	2020/06	EAP	Myanmar	13	1	Q-M
7.	2020/07	MENA	Sudan	11	5	Q-S
8.	2020/09	ESA	Ethiopia	11	2	Q-M
9.	2020/10	ESA	Mozambique	12	0	Q-M
10.	2020/12	WCA	Nigeria	12	2	Q-M
11.	2020/13	LAC	Colombia	13	0	Q-M
12.	2020/14	ESA	Uganda	7	2	Q-M
13.	2020/15	ESA	Angola	8	1	Q-M
14.	2020/16	WCA	Central African Republic	11	2	Q-M
15.	2020/17	EAP	Pacific Islands Multi-Country Office	11	0	Q-M
16.	2020/18	EAP	Indonesia	7	0	Q-M
17.	2020/19	SA	Pakistan	7	2	Q-M
<b>Total</b>				158	21	
<b>B. Thematic areas</b>						
18.	2020/08	N/A	Harmonized approach to cash transfers	8	1	Q-M
<b>Total</b>				8	1	
<b>C. Joint audit</b>						
19.	2020/11	MENA	United Nations humanitarian response in Yemen	N/A	N/A	N/A
<b>Total</b>				-	-	
<b>Grand total</b>				<b>166</b>	<b>22</b>	
<b>II. Advisory reports<sup>d</sup></b>						
20.	2020/A01	MENA	Risk management process of Djibouti Country Office	-	-	-
21.	2020/A02	N/A	Accountability Framework	-	-	-
22.	2020/A03	LAC	Peer review process – Regional Office and Guatemala	-	-	-
23.	2020/A04	N/A	Emergency procedures for COVID-19 response	-	-	-

<sup>a</sup> Audit reports are listed by category and report reference number.

<sup>b</sup> The UNICEF regions listed are as follows: EAP: East Asia and the Pacific; ECA: Europe and Central Asia; ESA: Eastern and Southern Africa; LAC: Latin America and Caribbean; MENA: Middle East and North Africa; SA: South Asia; and WCA: West and Central Africa. "N/A" = not applicable.

<sup>c</sup> Report conclusions are classified as: unqualified (U); moderately qualified (Q-M); strongly qualified (Q-S); or adverse (A). See the definitions in the table below.

<sup>d</sup> In addition to the advisory reports listed under section II, the Office also provided advisory support not resulting in issuance of formal reports (e.g., participation in an observer capacity on management task forces for organizational improvements, contributions to the revised Enterprise Risk Management Policy and the revised Supply Manual, strengthening governance scorecards for private fundraising and partnerships and review of third party facilitators to support delivery and monitoring of programme activities in areas not easily accessible for the Nigeria Country Office).

### **Audit conclusions:**

(a) Unqualified: Based on the audit work performed, OIAI concluded at the end of the audit that the control processes over the office were generally established and functioning during the period under audit;

(b) Moderately qualified: Based on the audit work performed, OIAI concluded at the end of the audit that, subject to implementation of the agreed actions described, the controls and processes over the office were generally established and functioning during the period under audit;

(c) Strongly qualified: Based on the audit work performed, OIAI concluded that the controls and processes over the office needed improvement to be adequately established and functioning;

(d) Adverse: Based on the audit work performed, OIAI concluded that the controls and processes over the office needed significant improvement to be adequately established and functioning.

## Annex II

## Open agreed actions older than 18 months as at 31 December 2020

#	<i>Title of audit/issue month and year/age of agreed action/agreed action (by risk prioritization)</i>	<i>Status update (as at March 2021)</i>
1	<p><b>India Country Office (September 2018: 27 months)</b></p> <p>(a) <b>Medium priority:</b> Strengthen the Private Sector Fundraising Section by timely filling of all key vacant posts; and implementing a monitoring system for the implementation of recommendations arising from peer reviews and support missions by private sector fundraising experts.</p>	<p>The Office of Internal Audit and Investigations (OIAI) has considered this agreed action as implemented and closed it in January 2021.</p>
2	<p><b>Turkey Country Office (September 2018: 27 months)</b></p> <p>(a) <b>Medium priority:</b> Review the current contribution requirements and coding system, and identify a solution that could more accurately code, track and report on the contributions that fall within the humanitarian-development continuum.</p>	<p>Per the management update of 22 January 2021, progress has been made despite delays due to the coronavirus disease 2019 (COVID-19) pandemic and the action is nearing a conclusion. The proposed solution is currently under review of management and decision expected to be finalized by end of Q1–2021. OIAI will close these actions upon evaluation of management’s confirmation of full implementation.</p>
3–8	<p><b>Master data management (December 2018: 24 months)</b></p> <p>(a) <b>High priority:</b> Issue a policy and supporting procedures on master data management covering all issues identified by the audit.</p> <p>(b) <b>High priority:</b> Review the need for the use of the one-time master vendor record.</p> <p>(c) <b>Medium priority:</b> Clarify the requirement for vendors registration in the United Nations Global Market (UNGM) in policy and procedures on the management of vendor master data.</p> <p>(d) <b>Medium priority:</b> Review the need of providing master data management (MDM) role to staff members who are not MDM processors as defined in the MDM policy and procedure and revoke access where found unnecessary.</p> <p>(e) <b>Medium priority:</b> Review existing vendor account groups in VISION and identify and take action for those that are to be discontinued, and clearly define the vendor account groups that need to be operational in VISION.</p> <p>(f) <b>Medium priority:</b> Review the use of permitted payees, alternative payees, and alternative payee in document, and establish clear conditions and requirements for their use in the MDM policy and procedures.</p>	<p>(a) Per the management update of 6 January 2021, while management considered the agreed action as implemented, OIAI has assessed that the policies and procedures are yet to cover some elements of the agreed action (assignment of master data management role in VISION; use of one-time vendor; and conditions for the deactivation of vendors).</p> <p>(b) Per the management update of 6 January 2021, management is in the process of elaborating a procedure to regulate the use of the one-time master vendor record and expect to complete it by June 2021.</p> <p>(c) Per the management update of 6 January 2021, management has considered the agreed action as implemented while maintaining that UNGM registration is not required, but strongly encouraged (given that the Global Shared Services Centre (GSSC) is already monitoring vendor registration in UNGM as part of master data management). OIAI has requested management to revisit its position as it dilutes the effectiveness of GSSC monitoring and does not provide for screening in the UNGM Ineligibility List to ascertain that the vendor is not engaged in unethical conduct (per Supply Division policies).</p> <p>(d) Management updates are pending.</p> <p>(e) OIAI has considered this agreed action as implemented and closed it in January 2021.</p> <p>(f) OIAI has considered this agreed action as implemented and closed it in January 2021.</p> <p>OIAI will close actions (a) to (d) upon confirmation of full implementation.</p>



#	Title of audit/issue month and year/age of agreed action/agreed action (by risk prioritization)	Status update (as at March 2021)
9–11	<p data-bbox="264 304 797 359"><b>Vaccine programme management (December 2018: 24 months)</b></p> <p data-bbox="264 375 829 678">(a) <b>High priority:</b> Share with donors and key partners (preferably in the relevant proposals and grant agreements) detailed information on how the harmonized approach to cash transfers operates and its limitations including the risks, responsibilities and accountabilities for the management of funds channelled through UNICEF; provide guideline to country offices for their use on the additional risks involved in implementing of immunization activities in countries with very weak capacities and systems; and to agree on UNICEF responsibilities and accountabilities in such countries.</p> <p data-bbox="264 695 829 835">(b) <b>Medium priority:</b> Use available data to identify countries with weak capacities for preparing accurate and reliable vaccine forecasts and implement a targeted strategy and action plan to help improve their forecasting.</p> <p data-bbox="264 852 829 930">(c) <b>Medium priority:</b> Clarify responsibility and accountability for implementation of immunization of activities.</p>	<p data-bbox="865 304 1268 329">(a) Management updates are pending.</p> <p data-bbox="865 346 1440 487">(b) Per the last management update on 1 September 2020, management is finalizing an action plan to support countries to improve their forecasting of vaccines requirements. The delays are due to the COVID-19 pandemic response.</p> <p data-bbox="865 504 1268 529">(c) Management updates are pending.</p> <p data-bbox="865 546 1440 600">OIAI will close these actions upon confirmation of full implementation.</p>
12–13	<p data-bbox="264 953 748 1008"><b>Cyber security and data privacy (March 2019: 21 months)</b></p> <p data-bbox="264 1024 829 1186">(a) <b>Medium priority:</b> Review the cloud service providers security recommendations and implement those deemed relevant and monitor them in the operational risk register; and to review and adjust the mobile device management policies in light of the security enhancement recommendations.</p> <p data-bbox="264 1203 829 1314">(b) <b>Medium priority:</b> Implement security awareness trainings to end-users informed by security incidents such as phishing and unauthorized take-over of staff email accounts.</p>	<p data-bbox="865 953 1440 1005">OIAI has considered these agreed actions as implemented and closed them in March 2021.</p>
14–15	<p data-bbox="264 1352 740 1377"><b>Nepal Country Office (June 2019: 18 months)</b></p> <p data-bbox="264 1394 829 1476">(a) <b>Medium priority:</b> Review the theories of change and revise them as necessary to fully reflect the federal context of its operations.</p> <p data-bbox="264 1493 829 1575">(b) <b>Medium priority:</b> Improve the performance of the district-level cold-chain storage operations by working with the Government.</p>	<p data-bbox="865 1352 1440 1486">(a) Per the management update on 2 October 2019, the upcoming updated situation analysis will inform the revision of the theories of change as part of the midterm review process. OIAI will close this action upon confirmation of full implementation.</p> <p data-bbox="865 1503 1440 1558">(b) OIAI has considered this agreed action as implemented and closed it in March 2021.</p>

## Annex III

### Key performance indicators for the Office of Internal Audit and Investigations in 2020

<i>No.</i>	<i>Key performance indicator</i>	<i>Target (2021)</i>	<i>Achievement (2020)</i>
1.	Delivery of a risk-based workplan <sup>a</sup>	90%	82%
2.	Compliance with Executive Board decision 2012/13 on public disclosure	100%	100%
3.	Engagements in which feedback from clients has been “generally satisfactory” <sup>b</sup>	100%	89%
4.	General conformity with Institute of Internal Auditors standards, including external assessments (once every five years)	Yes	Yes
5.	Compliance with timeliness indicators for internal audit reporting	90%	33% <sup>c</sup>
6.	Compliance with timeliness indicators for investigations	75%	75%

<sup>a</sup> Adjustments made to the workplan are communicated to the Executive Director and the Audit Advisory Committee.

<sup>b</sup> Audit clients either agreed or strongly agreed that, overall, the individual audits added value and resulted in meaningful agreed actions and results.

<sup>c</sup> The reprioritization of activities both within OIAI and the audited offices following the disruption due to the coronavirus disease 2019 pandemic in March 2020 contributed to delays in finalizing audit reports in 2020. A reversal of the trend was noted by the end of 2020.