

29 February 2008

Received

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His Excellency
Mr. Mark D. Wallace
United States Representative
for United Nations Management and Reform
United States Mission to the United Nations
140 East 45th Street
New York

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cc: Amb. Wallace
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Excellency,

Thank you for your letter dated 8 February 2008 addressed to Ms. Ann Veneman, Executive Director of UNICEF, requesting an update on UNICEF's efforts to increase transparency and accountability. UNICEF remains committed to becoming a more efficient, transparent and accountable organization. Please find below details in response to the eight specific areas outlined in your request.

1. Availability of internal audits and other reports to Member States

UNICEF senior management is committed to enhancing transparency by making internal audit reports available to Member States. As advised by the Chief Executives Board, UNICEF will consult with its governing board on the most appropriate manner to provide access. We recognize that such practice must respect the need to preserve confidentiality in relation to individual staff and due process, and in relation to sensitive information on donors and programme countries.

2. Public access to all relevant documentation related to operations and activities

Information about UNICEF operations and activities is available to the public. Information on UNICEF budgets is available on the website of the Secretariat of the Executive Board (http://www.unicef.org/about/execboard/index_25993.html) and UNICEF's financial reports and related information are available to Member States and the public as General Assembly documents. Nonetheless, UNICEF is exploring ways to make this information user friendly and more readily accessible to the public.

3. "Whistleblower Policy"

UNICEF's policy on Protection from Retaliation is based on the United Nations Secretariat's policy on the same subject and has been fully operational since 21 May 2007. The policy was updated on 16 January 2008 to reflect the issuance of the

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Secretary-General's Bulletin on "United Nations system-wide application of ethics: separately administered organs and programmes" (ST/SGB/2007/11), and the establishment of UNICEF's independent Ethics Office.

4. Financial Disclosure policies

UNICEF's Financial Disclosure policy was introduced on 28 February 2007 with a confidential electronic filing system for staff disclosures. All senior staff and all staff (regardless of grade) whose principal duties include procurement or investment functions are required to file financial disclosure statements. Disclosures are filed annually and compliance for the first year was 87%. The program for 2008 will be launched in March with the aim of full compliance. The Executive Director and Deputy Executive Directors provide financial disclosure information to the United Nations Secretariat.

5. An effective Ethics Office

UNICEF is fully committed to the highest standards of ethics and integrity among its staff and as an Organization. The UNICEF Ethics Office was established in December 2007 with the objective to cultivate and nurture a pervasive culture of integrity and accountability. UNICEF's Ethics Office oversees a comprehensive Ethics Programme, which includes protection from retaliation, financial disclosure, and the general promotion of ethical behavior through staff learning activities. UNICEF's Ethics Office works in close collaboration with the Ethics Offices of the United Nations Secretariat, UNDP, UNFPA, and under the umbrella of the United Nations Ethics Office as per the Secretary-General's Bulletin ST/SGB/2007/11 of 30 November 2007. Coordination and harmonization of policies and practices related to ethics among the United Nations Funds and Programmes is assured by an inter agency Ethics Committee chaired by the Director of the United Nations Ethics Office.

6. Independence of internal oversight bodies

The revised UNICEF audit committee comprises external members only and all audit committee members have access to internal audit reports. In addition, the Director of the Office of Internal Audit submits an annual report to the Executive Board on audit activities, findings and conclusions for discussion. The Office of Internal Audit coordinates its work with the Board of Auditors. Furthermore, the capacity of the Office of Internal Audit has been strengthened with the creation of six additional posts, two of which are for investigators.

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7. IPSAS accounting standards in the Funds and Programs

UNICEF will be fully compliant with IPSAS requirements by 1 January 2010. A gap analysis, which highlights the impact of IPSAS on UNICEF's business practices and systems, has been completed. The IPSAS project is integrally linked with UNICEF's One ERP (Enterprise Resource Planning) project, the goal of which is to begin roll-out of the SAP application system throughout the organization over the next two years. Any changes to business practices and system development required by IPSAS will be included in the One ERP project plan. The UNICEF Executive Board has been kept informed on the progress of the IPSAS project. The board document on Adoption of International Public Sector Accounting Standards (E/ICEF/2007/AB/L.12) discusses the significance of accounting standards, the benefits and implications of IPSAS adoption, as well as UNICEF's adoption strategy.

8. Establishing a cap on administrative overhead costs for the Funds and Programs

UNICEF is a field-oriented agency and thus carries relatively small overhead costs. The management and administration component of the current Biennial Support Budget (2008-2009) stands at 4.1% of total resources, as compared to 4.7% in the previous biennium.

We trust this update meets your request. Please do not hesitate to contact my office should you require any further information.

Yours sincerely,



Omar Abdi
Deputy Executive Director