



# OFFICE OF INTERNAL AUDIT AND INVESTIGATIONS

2022 ANNUAL REPORT

**Status:** FINAL  
**Date:** December 2023  
**Assurance year:** 2022

**© International Federation of Red Cross and Red Crescent Societies, Geneva, 2024**

Any part of this publication may be cited, copied, translated into other languages or adapted to meet local needs without prior permission from the International Federation of Red Cross and Red Crescent Societies, provided that the source is clearly stated.

**Contact us:**

Requests for commercial reproduction should be directed to the IFRC Secretariat:

**Address:** Chemin des Crêts 17, Petit-Saconnex, 1209 Geneva, Switzerland

**Postal address:** P.O. Box 303, 1211 Geneva 19, Switzerland

**T** +41 (0)22 730 42 22 | **F** +41 (0)22 730 42 00 | **E** [secretariat@ifrc.org](mailto:secretariat@ifrc.org) | **W** [ifrc.org](http://ifrc.org)

# CONTENTS

<b>Foreword and Director's statement</b>	<b>6</b>
<b>The Office of Internal Audit and Investigations</b>	<b>9</b>
<b>Internal and external audit update</b>	<b>12</b>
<b>Investigations summary</b>	<b>18</b>
<b>OIAI Operational Plan</b>	<b>22</b>
<b>Appendix 1 – IFRC Office of Internal Audit and Investigations Charter</b>	<b>26</b>



Mexico, 2024 Volunteers commemorate Happiness Day - photos shared via Mexican Red Cross Facebook on Happiness Day.  
© Mexican Red Cross



# FOREWORD AND DIRECTOR'S STATEMENT

## IFRC IN 2022

Recent years have seen growing humanitarian needs globally and increasing demand for, and pressure on, the services of the IFRC and member National Red Cross and Red Crescent Societies. This trend continued during 2022. The ending of COVID-19 operations in 2022 was several new crises, requiring the IFRC's focus. Most notably, the 1bn Swiss franc appeal for the Ukraine and Impacted Countries crisis. This response saw the IFRC significantly scale up operations across Europe, historically the IFRC Region with the lowest funding demand.

At the same time, the IFRC, in partnership with the Turkish Red Crescent, continued to deliver the world's most extensive humanitarian cash transfer programme in Türkiye (the Emergency Social Safety Net Programme – ESSN). In addition, the IFRC launched several new and ambitious multi-country and multi-million Swiss franc programmes. These included the Pilot Programmatic Partnership funded by DG ECHO and operating in 28 countries, and the Africa CDC Saving Lives and Livelihoods Programme, funded by the Mastercard Foundation. At the same time, the IFRC supported the response to numerous other humanitarian emergencies, frequently related to climate change and migration.

The Ukraine crisis exacerbated a complex operating and political environment, which was already turbulent in the aftermath of the pandemic. Despite this, the IFRC and its members continued to respond and support communities threatened by humanitarian crises and disasters. For this, the OIAI commends and celebrates the tireless efforts of the IFRC network's staff and volunteers, who continue, through these uncertain times, to provide vital life-saving work to millions of people across the globe.

The organization's funding reflects the growing need for the IFRC's humanitarian efforts, which has seen income grow from 322m Swiss francs in 2018 to 1.11bn in 2022. This funding increase has not come without risk. Despite the rise in revenue, most of these resources are earmarked. Comparatively, the IFRC has seen its Regular Resources (those unearmarked funds it can use to develop and enhance its systems and staff) remain relatively static. Furthermore, the unrelenting need to respond to multiple global crises has left the IFRC with little organizational bandwidth to ensure its corporate infrastructure adapts to the increased income and corresponding increase in partner expectations. The scale of humanitarian need has limited the IFRC's capacity to respond and address risks identified by the internal and external audits.

Critical to addressing this issue will be the launch of the IFRC Enterprise Resource Planning (ERP) system. ERP will support greater control, digitalization, oversight, and financial insight. During 2022, the IFRC leadership's support for ERP included enhanced management oversight of the programme; a revision and increase of the programme's budget; expansion of the programme team, and the commission of an audit of the programme's delivery to date. These actions improved the programme's management and increased the likelihood that the ERP would be rolled out successfully across the global IFRC by early 2024. The OIAI has prioritized supporting the development of the ERP and, in 2022, the Director of the OIAI and Head of Audit both joined the ERP Steering Group as observers and independent advisors.

The IFRC has continued developing its risk management capabilities, with the risk management team transitioning from COVID funding, to core funding, in 2022. In September 2022, the IFRC approved and launched its updated Risk Management Policy and Framework. This was an important milestone to support management in taking a systematic and proactive approach to managing risks related to IFRC objectives. The implementation of the policy will provide the IFRC's Global Leadership Team with an overview of the most critical risks in their respective areas and inform the organization's annual plans in the future. Furthermore,

2022 saw risk manager roles incorporated into major IFRC appeals, such as the Ukraine and Impacted Countries response. This gave the senior leadership valuable insight into its top strategic and regional risks, allowing greater oversight and tactical resource allocation. It is now critical that risk management is fully operationalized across the IFRC's global network, focusing on building risk management capability, notably in the IFRC's country delegations.

Safeguarding remained a priority issue for IFRC management throughout 2022. This commitment was evident in the launch of mandatory safeguarding training for all staff, management's drive to ensure that more than 80 per cent of staff had completed the training, and the recruitment of the IFRC's first Head of Safeguarding. Leadership's vocal support for a survivor-centred approach to safeguarding has led to increased reporting and investigations into complex sexual misconduct allegations. Where cases have been substantiated, the IFRC's management has continued to take a robust stance when addressing misconduct.

The OIAI endorses and welcomes the steps that the IFRC is taking to enhance controls and actively supports their development via advisory service and proactive audit reviews.

## **OIAI IN 2022**

The OIAI has continued to benefit from the ongoing support, engagement, and unlimited access to both the IFRC's senior leadership team and the Governing Board via the Audit and Risk Commission (ARC) throughout the year. Their continued support has ensured that the OIAI has remained empowered to undertake all aspects of the Office's role. The OIAI has remained a trusted partner across the organization and has seen a growth in demand for advisory services.

Creating a culture of trust and integrity has been prioritized in everything the OIAI delivered during the year. The OIAI's activities focused on key risk areas, increased awareness of integrity issues, and provided timely and effective audit and investigations services. The OIAI has refined our approach to fraud and corruption prevention across the IFRC, culminating in the launch of a refreshed IFRC Fraud and Corruption Policy (approved in 2023). The OIAI also developed and successfully piloted a new audit product, a "National Society Health Check Review", which provided National Societies affected by integrity crises with an assessment of their controls and how they can be enhanced (with the IFRC's support) to avoid future integrity issues.

The OIAI has used the results of KPMG's 2021 external quality assessment (EQA) to enhance its internal audit and investigations approaches. The lessons from the EQA and from the OIAI's experience of providing assurance services for the ESSN programme allowed the OIAI to respond quickly and support the IFRC's response in Ukraine. This included providing immediate risk assessment and integrity services to the response, implementing third party oversight of the cash transfer programming, and embedding a dedicated audit and investigations team within the response, significantly increasing the assurance that the IFRC can provide to communities and partners.

The enhancement of whistleblowing systems, in conjunction with the IFRC leadership's continued vocal support for integrity, has increased demand for the OIAI's investigation services for the third year running. 2022 again saw the team delivering several significant and complex investigations into allegations of fraud and sexual exploitation, abuse and harassment (SEAH), resulting in unprecedented integrity sanctions being applied. The OIAI, with the financial support of a few National Societies, has dedicated resources and tools for developing effective fraud and the prevention of sexual exploitation and abuse (PSEA) across the IFRC network, focusing on enhancing our membership's integrity reporting systems and employee awareness. For example, integrity-related training was provided to more than 500 IFRC and National Society staff and the whistleblowing system "Integrity Line" was rolled out, in conjunction with corresponding training, across 14 National Societies.

## OIAI PRIORITIES FOR 2023

During 2023, the OIAI will focus internally on greater collaboration between investigations and audit. 2023 will see cross-team working and a move towards “one OIAI”, rather than separate audit and investigations approaches. This will help develop a more rounded team, giving greater flexibility to meet the increased demand for OIAI support across the IFRC network. To this end, the OIAI Audit Charter has been redeveloped as an OIAI Charter and will now cover audit and investigation services.

The OIAI has designed and embedded programme-level assurance into the ESSN Programme and the Ukraine and Impacted Countries response. The success of these models has given the IFRC a framework that can be used to support effective risk management for future large programmes and operations. Throughout 2023, the OIAI will support the IFRC in using this framework to guard the integrity of the growing number of high-value and strategically significant programmes.

We will continue to refine and develop our internal audit and investigations approaches. Internal audit services will focus on significant risk areas, such as the Ukraine and Impacted Countries Appeal, the ESSN transition, large scale global programmes, fraud prevention, and critical systems, including the ERP rollout. We will also shift geographical coverage to focus on countries and delegations implementing global programmes rather than on delegations in isolation.

Several audits will be dedicated to assessing critical HR and Logistics systems, to support corporate control enhancements. We will also incorporate the corporate-related findings from our geographic review to help the IFRC’s drive for corporate control rationalization and modernization. The OIAI will also provide technical assistance to the ForeSEE programme to support corporate control enhancements.

As we move forward, the OIAI will prioritize supporting the IFRC’s membership to enhance their integrity capacities. In 2023, the OIAI will launch its most ambitious integrity development plan to date, with a 1m Swiss franc funding target. The operational plan will enable the OIAI to support and develop National Societies to be influential local actors with robust governance, risk management and control systems, with quality audit and investigations capacity. The plan will also empower National Societies to safely receive and respond to allegations in a timely way, to ensure trust and accountability. The OIAI’s support includes onsite training, funding to access professional qualifications (CFE, ACFE and CIAA), access to digital audit and investigation tools, and financial support and training to implement the Integrity Line. Through the Operational Plan, the OIAI will support the IFRC in building integrity across its membership, enhancing global integrity, and ensuring our IFRC is valued and trusted by communities, partners, and all who believe in the power of humanity.

### **Kris Wallace**

*Director of the Office of Internal Audit and Investigations*



# THE OFFICE OF INTERNAL AUDIT AND INVESTIGATIONS

## OIAI'S MANDATE

The OIAI comprises two key functions, audit (internal and external) and investigations. The role of the OIAI is to support the IFRC to meet its obligations for good governance, accountability, transparency, and probity to its partners and supporters.

The OIAI is an independent and objective assurance and investigation function that adds value to, and helps to enhance, the operations of the IFRC and its member National Societies. The OIAI helps the organization accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of IFRC network governance, risk management, and control processes.

## PURPOSE OF THIS REPORT

The IFRC is committed to transparency and accountability. The OIAI has committed to sharing an annual summary report on its activities, setting out the scope of OIAI's activities for the year, the work undertaken, and an overview of the risks and trends emerging from the OIAI's work

To ensure the OIAI meets its obligations, the IFRC has adopted the Global Institute of Internal Auditors' International Standards for its audit work, and the Association of Certified Fraud Examiners (ACFE) and Core Humanitarian Standards for its fraud and SEAH investigations. These Standards set out best practice in internal audit and investigations globally.

## OIAI REPORTING LINES

To ensure transparency and independence, the OIAI has a dual reporting line to both the IFRC Secretary General and the Audit and Risk Commission (ARC), a body of the IFRC Governing Board. The OIAI reports to the Secretary General to establish direction and for support and administration, and to the ARC for strategic direction, reinforcement, and accountability.

## OUR VISION AND MISSION

The OIAI vision is to drive positive change to enable IFRC to remain a dynamic global network of organizations that make a life-saving and life-changing difference to communities at risk worldwide.

The OIAI mission is to protect and enhance the value the IFRC network brings to the world's most at-risk people. It does this by providing independent, objective, timely and insightful risk-based assurance, investigation, and advisory services.

## WHO WE ARE

The OIAI is a small, diverse team, funded by a mix of IFRC regular and programme resources.

OIAI staff are highly skilled, combining audit and investigations experience, knowledge and experience of the IFRC, and experience from many external organizations to deliver value to the IFRC and its membership. The OIAI team bring technical expertise in risk management and control enhancement a strong commitment for continued development, and passion for the IFRC's humanitarian mission.

### OIAI at a glance



**23.4**  
FTE



**55%**  
female



**5**  
Regional  
offices



**10**  
Nationalities



**10**  
Languages



**5**  
Profiles

OIAI staff have a wide range of professional qualifications to support the OIAI in fulfilling its role, included Certified Internal Auditors, Certified Public Accountants, Certified Systems Auditors, and Certified Fraud Examiners. To complement the strength of the team, the OIAI works with subject matter experts from its co-sourcing partners and from member National Societies. The OIAI team members come from diverse backgrounds with experience in legal, psychology, audit, investigations, finance, and humanitarian operations.

## SCOPE OF THE OIAI'S ACTIVITIES

The purpose, authority, and responsibility of the OIAI's audit function are defined in the Internal Audit Charter, which is approved by the IFRC's Secretary General. As required by the International Institute of Internal Audit's Standards, the charter reflects all activities and areas of responsibility for the internal audit function. A copy of the charter can be found at Appendix 1 – IFRC Internal Audit Charter on page 17.

The OIAI delivers on its remit through the following activities:

### Audit (internal audit and external audit coordination)

- Delivering risk-based audit and assurance across the global IFRC secretariat, including IFRC's Regional Offices, country delegations, programmes, and appeals
- Delivering dedicated risk-based assurance to the ESSN programme and Ukraine and Impacted Countries response
- Overseeing an annual programme of external audit, including the annual audit of IFRC's financial statements and external audits of IFRCs emergency appeals and funds transferred to National Societies
- Coordinating donor audit and assurance services
- Building capacities across the IFRC and National Societies on audit, assurance, compliance, governance, internal control, and risk management through the OIAI Operational Plan.

## Investigations

---

- Providing the IFRC's whistleblowing response service and providing oversight and monitoring of the service
- Providing counter-fraud training
- Advising on the handling of fraud; sexual exploitation and abuse (SEA), and sexual harassment cases
- Managing and overseeing fraud, corruption, and SEA responses, across all types of concerns and allegations
- Leading on fraud, corruption, and SEA investigations
- Oversight and procurement of fraud insurance
- Case data management and trend analyses
- Fraud assurance, prevention, and response.

## Consultancy

---

- Providing coordination and consultancy support to the management team's risk management processes
- Providing independent consultancy support and advice to management colleagues
- Embedding integrity and risk training in audit work
- Audit consultancy support for strategic IFRC initiatives, for example the implementation of the ERP
- Consultancy support on issues and policy development relating to control and to the prevention of fraud, corruption, SEA and SH.

## Governance support

---

- Supporting the work of the Audit and Risk Commission, including acting as its secretariat
- Supporting the Governing Board in its risk, control, governance, and integrity work
- Supporting the work of the Donor Advisory Group.



**El Salvador 2024** Salvadoran Red Cross run workshops for students focused on the conservation and care of water in the face of the impacts of climate change and variability. © Salvadoran Red Cross

# INTERNAL AND EXTERNAL AUDIT UPDATE

## THE OIAI AUDIT TEAM

### About the audit team

The OIAI audit team provides independent assurance, advice, and insight to IFRC's leadership and operations, supporting the IFRC to achieve its humanitarian objectives. The team delivers internal and external audit services, delivering an annual risk-based internal audit plan and coordinating the delivery of IFRC's external audit portfolio, comprising the annual audit of IFRC's financial statements, external audits of IFRC's emergency appeals, and all donor-requested external audits.

The OIAI audit team has staff based in IFRC's Geneva headquarters and its Regional Offices. In 2022, an OIAI team based in the Europe Regional Office in Budapest was embedded in the Ukraine and Impacted Countries response.

### External quality assessment

As part of the OIAI's ongoing commitment to excellence, an external quality assessment (EQA) was conducted by KPMG in November 2021. The purpose of the EQA was to evaluate the OIAI's compliance with the International Internal Audit Standards and assess the value that the audit team offers to the IFRC. KPMG assessed the work of the audit team to 'generally conform' with international audit standards, which the highest rating achievable. The EQA assessment has been published [here](#) and is valid for five years.

## 2022 INTERNAL AUDIT COVERAGE

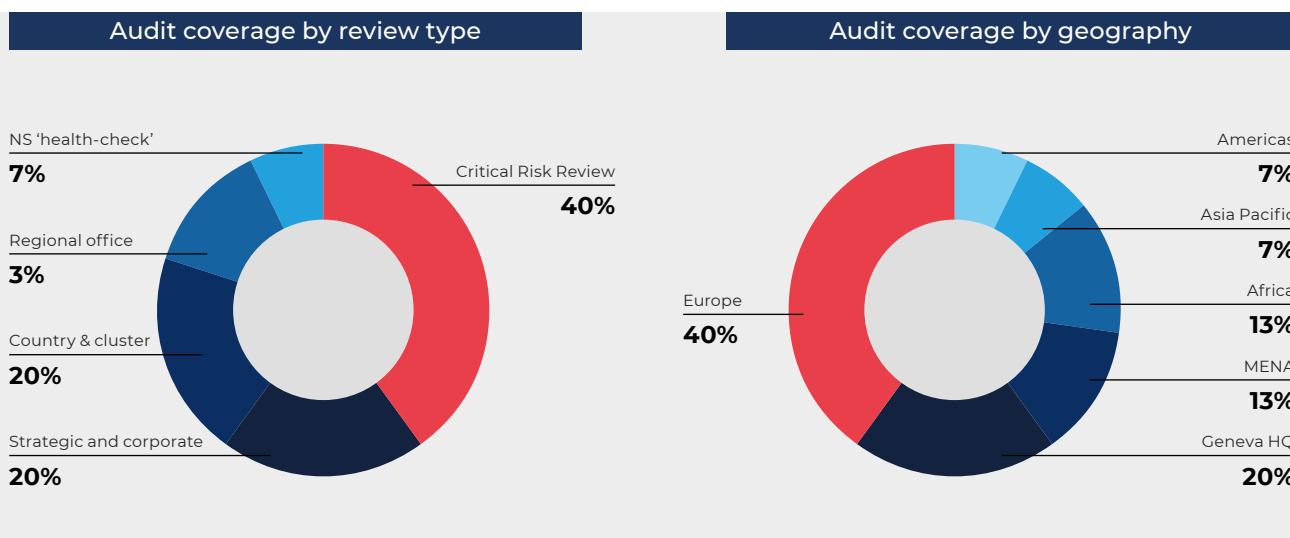
### 2022 internal audit plan

The OIAI's internal audit plan targets the most significant risks to the IFRC and its humanitarian operations. The response driven nature of the IFRC's humanitarian work requires ongoing assessment and monitoring of risk, and the annual audit plan is therefore an agile one that changes based on the IFRC's risk exposure and priorities.

The 2022 audit plan delivered 15 assurance reviews, which are set out in the table below:

Assurance review	Review type
ERP project	Strategic review
Payroll	Strategic review
Information security and incident response	Strategic review
Africa Regional Office	Regional Office review
MENA Regional Office	Regional Office review
North Africa Cluster (Tunis)	Country and Country Cluster Delegation review
India Cluster (Delhi)	Country and Country Cluster Delegation review
Port of Spain Cluster	Country and Country Cluster Delegation review
Zimbabwe Red Cross 'Health-Check'	National Society 'health-check'
Ukraine: HR and Surge	Critical risk review
Ukraine: Cash programming in the impacted countries	Critical risk review
Ukraine: Fraud and SEAH Risk Management	Critical risk review
Ukraine: Cash and Voucher Assistance (CVA)	Critical risk review
Ukraine: Transition management	Critical risk review
Ukraine: Ukraine Country response	Critical risk review

In 2022 plan focused on Regional Office and Country and Country Cluster Delegation assurance, as well as critical risk reviews of the Ukraine and Impacted Countries response. With travel restrictions removed towards the end of 2021, all 2022 reviews were able to take place onsite, and the audit plan included reviews in all five IFRC regions: Africa, the Americas, Asia Pacific, Europe, and Middle East and North Africa.



### Emergency Social Safety Net (ESSN) Programme

The Emergency Social Safety Net (ESSN) is the world's largest humanitarian cash transfer programme – supporting 1.5m people in Türkiye. It is the largest programme managed by the IFRC and is delivered in partnership with the Turkish Red Crescent.

To support a robust framework of control and effective risk management, an audit team was embedded in ESSN's structure in April 2020. The team is based in the IFRC Türkiye delegation but is independent and reports directly to the Head of Audit for IFRC.

In 2022, the ESSN audit team continued to provide assurance services to the programme through an annual assurance plan (running from April 2022-March 2023), comprising an internal audit plan, quarterly financial spot-checks of expenditure, and in-person household verification of cash recipients.

### Ukraine and Impacted Countries response

Learning from the success of the ESSN audit team, in 2022, OIAI established a team for the Ukraine and Impacted Countries response to provide assurance and investigations support. The team carried out internal audit reviews, financial spot-checks, cash and voucher programme verifications, capacity building support to the affected National Societies, and investigations, and also provided ongoing advice and consultancy to the response.

Prior to establishing the team, the audit team supported the response with a full-time auditor for a four-month period to establish risk management systems and risk registers for the response and carry out early assessments of the management of critical risks. The audit team carried out six 'critical risk reviews', which are listed in the table above. The embedded OIAI team will continue to support the response throughout 2023 and into 2024.

## Follow-up of management actions to mitigate risks

International audit standards require audit teams to follow-up on management action to mitigate risks identified in audit work. This is a critical aspect of any effective audit team, focusing attention on the management of risks and improving controls and process, rather than on issue identification alone.

In 2022, OIAI made the decision to revise our risk follow-up methodology from January 2023. The new approach will be a 'live' follow-up of risks on their due date, a move away from the previous approach of reviewing open risks every six months. In 2022, the team completed an in-depth review of all 'open risk' data, in preparation to launch the new methodology in 2023. A follow-up of open risks was also carried out in August 2022 to assess management progress in taking action.

## Internal audit consultancy

Outside of the formal audit reviews, the team has continued to support IFRC's management in their ongoing efforts to enhance IFRC's risk management and control framework, to allow IFRC to better respond to humanitarian need. Throughout 2022, the audit team continued to deliver training on external audit and donor compliance; internal audit and risk management; fraud and corruption; and safeguarding during internal audit work.

With the endorsement of the Audit and Risk Commission, the OIAI has in addition to assurance and investigation services provided substantive advisory support covering the IFRC's approach to safeguarding risk, the optimization of risk management, and the delivery of the ERP project, and the launch of global programming, allowing the IFRC to benefit from the team's risk and control expertise outside of the audit process.

## EXTERNAL AUDIT COVERAGE

In addition to delivering an annual risk-based internal audit plan, the OIAI audit team oversees and facilitates an annual programme of external audit work. This comprises:

- The annual audit of the IFRC's financial statements
- An external audit of sample of emergency appeals for the year
- Agreed Upon Procedure reviews of cash transferred to National Societies
- All donor-requested audit work.

## Annual audit of IFRC's financial statements

Mazars<sup>1</sup> were appointed as IFRC's external auditors for 2022 and 2023, following approval at the General Assembly in June 2022. A detailed onboarding and induction took place in August 2022, and the 2022 audited financial statements were published in June 2023 and can be found [here](#).

## Emergency Appeal audits

Emergency Appeals audits are delivered by IFRC's appointed external auditor. 2022 Emergency Appeal audits cover 2021 expenditure and 14 Emergency Appeal audits were carried out in 2022 all of which are published on IFRC's website.

## Donor-requested audits

We continue to see an upwards trend in the number of donor-requested external audits, with 40 audits commissioned and carried out in 2022, compared to 21 commissioned in 2021.

---

<sup>1</sup> <https://www.mazars.ch/Home/Services/Audit-Assurance>



**Ukraine 2024** On January 2nd, around 100 rockets were directed towards Ukrainian cities. The capital of the country suffered the most damage. Emergency response teams from the State Emergency Service of Ukraine worked alongside rapid response teams from the Ukrainian Red Cross at the sites.  
© Ukrainian Red Cross Society

## RISK THEMES IDENTIFIED IN OIAI'S AUDIT WORK

The scale and complexity of IFRC's operations have grown significantly in recent years, in response to unprecedented humanitarian challenges. While IFRC's operational expenditure has more than tripled, core funding has remained relatively stable. Out audit work throughout 2022 found that the current corporate control framework is not optimized to meeting the current and growing challenges facing IFRC and its humanitarian operations.

IFRC is continuing to optimize its control framework through the launch of the new ERP system, which will go live in 2024, and through the ForeSEE project, which is focused on the optimization of HR and logistics processes. Both will be critical in meeting the growing demand for IFRC's life-saving services. OIAI has continued to support both projects in an advisory role throughout 2022 and will continue to do so in 2023 and 2024.

In 2022, IFRC continued to invest in building risk management capacity. As well as continuing to build and expand technical risk management capacity across IFRC's Regions, a risk manager for the Ukraine and Impacted Countries response was also embedded in the operation, with the aim of adopting similar approaches for future large scale and complex crises.

Our country delegation work identified that offices were still undergoing a period of significant change post pandemic and that there was a need to refresh and adapt country level strategies, plans, and structures to meet post-pandemic humanitarian needs. This is being addressed through IFRC's refreshed planning process.







**Zimbabwe, 2020** Food distribution in Zimbabwe is supported by the Finnish Red Cross. PMER officer Tasiyana Bakasa (middle) from Zimbabwe Red Cross Society helps volunteers to prepare a food distribution in Mola village. © Ville Palonen / Finnish Red Cross

# INVESTIGATIONS SUMMARY

## INTRODUCTION

The OIAI's investigations section provides an independent and objective fraud, SEAH, and misconduct investigation service. In this, it has a delivery function, but this remains non-executive. The results of the independent investigations are passed to the relevant line management function for review and action.

The investigations' function is particularly important to donors, and the IFRC has invested heavily in building donor confidence and trust. To this end, the OIAI hosted quarterly meetings with key partners and supporter to openly discuss allegations, investigations, and integrity action plans.

The cases under investigation are all complex and strategically important to the IFRC (especially in respect to finance, delivery, and reputational risk). The complexity of the cases is predominantly driven by varied operating contexts and ambitious delivery plans of the IFRC's operations.

## ALLEGATIONS TRENDS AND ANALYSIS

During 2022, Integrity Line received 465 reports pertaining to Human Resources' and OIAI's mandate<sup>2</sup>, an increase of 274 reports compared to 2021.

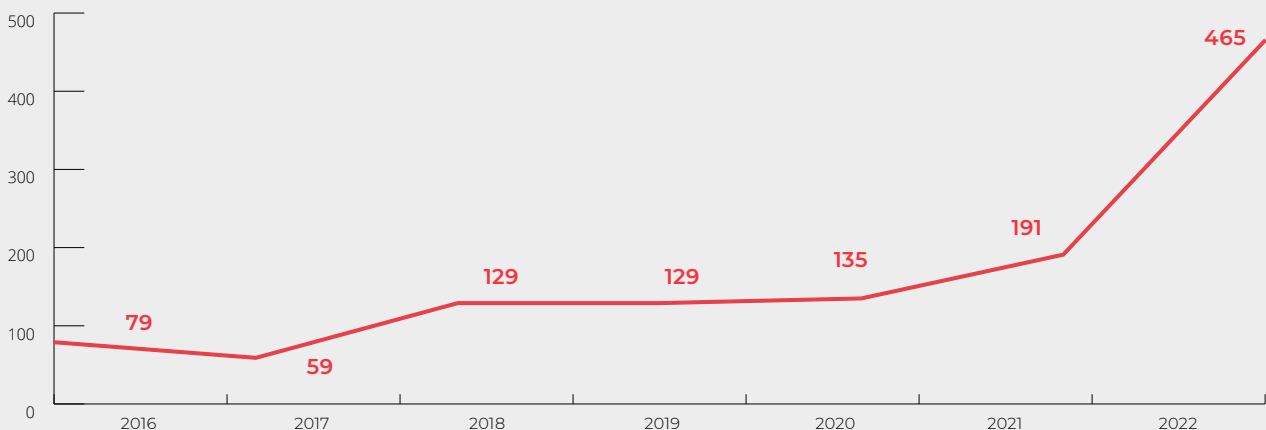
This represents an increase of 143 per cent. The growth confirms the overall trend of allegation numbers drastically increasing each year. Allegations are reported by mail, email, telephone, and personal interactions. Most allegations are received through the IFRC's whistleblowing platform Integrity Line.

2022 marked the first full year using our Integrity Line as the reporting mechanism for the IFRC. From 2023, the OIAI will be able to analyse comparable figures over identical time periods, offering a larger scale overview on the number of allegations received, their nature and/ or their location.

The increase in the number of allegations demonstrates strengthened confidence in IFRC's ability to address reports and the underlying issues. It is also reflective of the continuous strong statements communicated to our membership and internally within the IFRC. The numbers illustrate the organization's zero-tolerance stance and its commitment to globally enhance and encourage a speak-up culture.

Of the 465 reports made in 2022, the largest number of cases related to fraud and corruption (a total of 35 per cent). The category of "other misconduct" represented 39 per cent and can be broken down as follows:

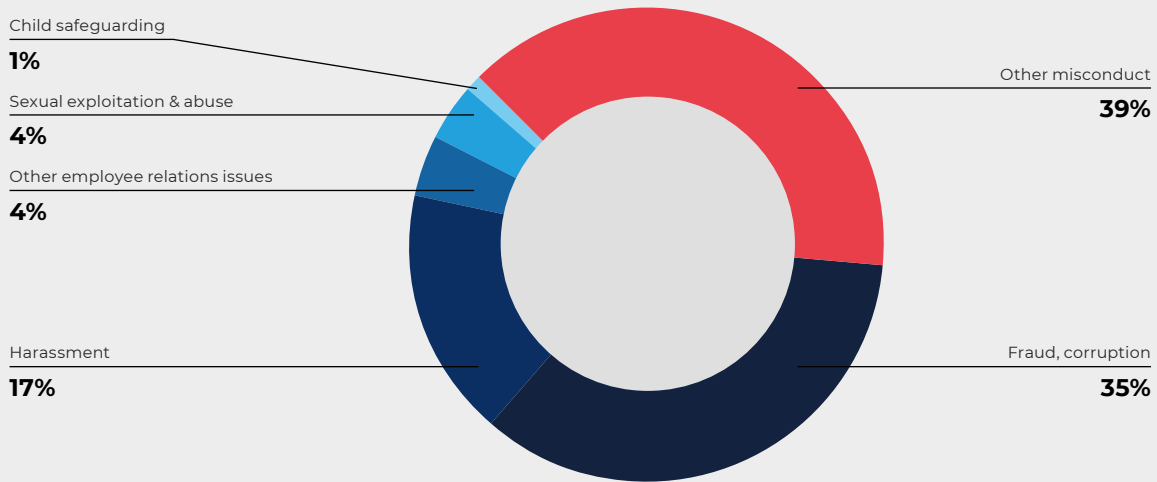
OIAI and HR reports received by year



<sup>2</sup> OIAI's mandate covers all fraud, corruption, and sexual misconduct allegations. Allegations relating to bullying, harassment and employee relations sit within the purview of HR.

Of the complaints, 4 per cent related to SEA which is a decrease of 9 per cent from the previous year (2021). In absolute numbers, however, it is one additional allegation.

### Complaints received by type



The harassment category reached 17 per cent, which reflects an increase both in actual number and in proportion to overall allegations received (+5 per cent). As in 2021, sexual harassment allegations represented 3 per cent of the total harassment cases. Considering the increase of allegations, sexual harassment allegations increased significantly from 2021 to 2022 (+10.25).

OIAI has continued to refine and enhance its SEA and SH investigation capacity. The OIAI has embedded SEA and SH investigation capacity into our own team and outsourcing contracts.

Overall, the allegations received in 2022 compared to 2021 are evidently more numerous. In addition, there was an increase in the complexity of the allegations. They need more precaution and thorough analysis to better assess the nature of the issues as well as any investigative strategy – if leading to any investigation – to be put in place and adapted to each case.

For 2023, OIAI aims to reinforce its investigative capacity through internal staffing but will also continue to use service suppliers to support with the increasing workload.



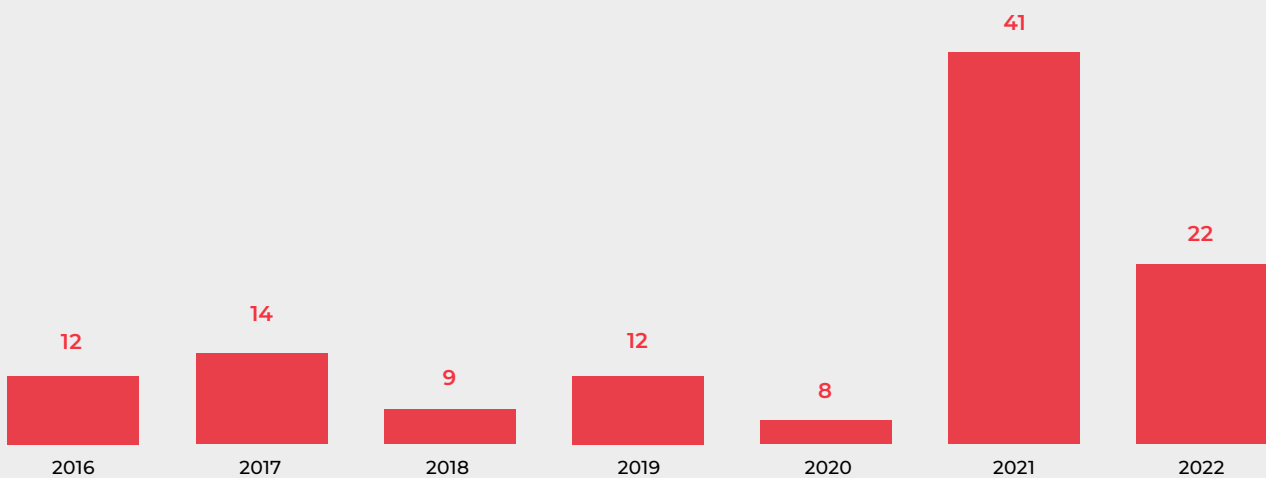
**Left: Kenya 2023** Dig Deep Africa is constructing pit latrines, while Kenya Red Cross community health volunteers provide health education to communities. This activity is part of the Community Epidemic and Pandemic Preparedness Programme (CP3). © Paul Wu / IFRC

## INVESTIGATIONS

During 2022, OIAI completed 22 investigations<sup>3</sup>. Nine of these closed investigations related to sexual misconduct (eight relating to sexual exploitation and sexual abuse, one relating to sexual harassment) and 13 to fraud and corruption cases.

Although the rate of closed cases decreased through the year 2022, the complexity of those allegations increased. This necessitated an increase in both time and resources to ensure the allegations were suitably investigated. OIAI received full support from IFRC’s leadership to ensure that resource requirements did not affect the credibility of any investigations.

Number of investigations closed



<sup>3</sup> Out of the 22 closed investigations cases, 12 related to allegations received in 2021.



**Left: Syria 2023** Volunteers and staff of the Syrian Red Crescent work with people affected by the earthquake in Syria. **Right: Nepal 2023** Nepal Red Cross volunteers conduct health awareness sessions in schools to prevent and control the rising Dengue cases in the country. © Pramin Manandhar

For 2022, OIAI noted that, of the 22 completed investigations, 62 per cent were rated as “low” or “medium” risk, whereas 38 per cent were rated as “high” risk. No “very high” risk investigations were conducted by OIAI in 2022.

- 4 rated as low
- 9 rated as medium
- 8 rated as high
- 0 rated as very high.

In 2023, OIAI will continue to refine its approach to handling allegations and, where appropriate and possible, to propose different paths to address low and medium priority allegations. This may include through referrals to IFRC Delegations (country, cluster, regional) and/ or National Societies (rosters), audits, health checks, assurance mapping, and OIAI post investigation control enhancement reports.

During the year 2022, 77 per cent of the completed investigations led to full or partial substantiation of the allegations, and 23 per cent of the allegations were found to be unsubstantiated.

## TRANSPARENCY WITH PARTNERS

The OIAI investigation team continued to hold quarterly updates with the government donors, National Societies, and diplomatic missions. The focus of these meetings has been progressively broadened to include the audit team and OIAI’s presentation of its prevention programme offered to National Societies. During these meetings, the OIAI always encourages questioning and constructive criticism to encourage the IFRC to adapt and improve.

Through these meetings, the OIAI aims at building a strong and long-term relationship with relevant partners and supporters based on trust, transparency and accountability.

# OIAI OPERATIONAL PLAN

The OIAI is committed to extending the scope and impact of the integrity capacity building support it offers to National Societies. Thanks to the financial support of several donors<sup>4</sup>, the OIAI can more fully support preventive initiatives within the IFRC's membership.

The OIAI offers several opportunities to National Societies:

## Integrity Line

The objective is to deploy and implement Integrity Line to enhance whistleblowing capacity and a speak-up culture across the IFRC network. As of 31 December 2022, 16 National Societies had expressed interest in implementing Integrity Line. In addition, 14 are currently testing the system, and five are in the process of configuring it to meet their needs. Nine National Societies currently use the platform.

Stage	Description	Count
1	Interest	16
2	Testing	14
3	Contracting	4
4	Configuration	5
5	Live	9
<b>Total</b>		<b>48</b>

## OIAI global conference

The OIAI plays a critical role in raising awareness on fraud and corruption across the Movement and in the humanitarian sector more generally. As part of this agenda, the OIAI organised and hosted its 6th Edition of the global conference on "Preventing Corruption in Humanitarian Operations". The conference was held from 7-9 December 2022 and for the first time as a hybrid event. It gathered an average of 75 in-person participants and an average of 285 online participants across the various sessions.

The event gathered 18 experts around three main topics: sextortion<sup>5</sup>, investigative interviews in humanitarian operations, and integrity.

For the first time since the pandemic, the OIAI organized a pre-workshop to the conference around the prevention of sexual violence and abuse, and an exhibition area during a cocktail and networking moment, which gathered 13 sponsors with interested participants.



<sup>4</sup> Norwegian Red Cross, German Red Cross, British Red Cross and Australian Red Cross

<sup>5</sup> Sextortion is when victims are blackmailed with sexually explicit pictures, videos, or materials or themselves.

## Rosters

The OIAI seeks to build National Societies' investigative capacities through the constitution of several rosters for investigations (fraud, corruption, SEA and sexual harassment). The OIAI encourages the rosters' members to obtain professional qualifications through the Association of Certified Fraud Examiners (ACFE).

As of 31 December 2022, numerous applications for the fraud and corruption investigations roster had been received. Those who join the roster receive support to complete the ACFE qualification<sup>6</sup>. The roster is currently 95% full. The OIAI will look at opening an SEAH investigations roster using the same logic. We are currently looking at opportunities for professional qualifications with CHS (Core Humanitarian Standard) Alliance.

Considering the demand relating to the rosters, the OIAI will also look at extending the number of rosters, including introducing a roster for audit professionals.

## Training opportunities

The OIAI invested efforts to conduct additional training opportunities for National Societies and reached the following number of National Societies' staff in 2022:



In the future, the OIAI plans to enlarge its training catalogue to offer two new components: external audits and donor compliance.



**Madagascar 2022** The Malagasy Red Cross supported the Ministry of Health to reach Madagascar's COVID-19 vaccination objective. Home visits, focus groups, advocacy and sensitization sessions with local leaders and authorities were conducted by Malagasy Red Cross volunteers. © MangaFeo

6 <https://www.acfe.com/cfe-credential>





**Fiji, 2016** Fiji Red Cross volunteers provided psychological first aid to villagers affected by Cyclone Winston, which helped repair the emotional wounds left by the cyclone.  
© Damien Light / Zoom Fiji



# APPENDIX 1 – IFRC OFFICE OF INTERNAL AUDIT AND INVESTIGATIONS CHARTER

## Introduction

---

1. The Financial Regulations of the Statutory Texts of the International Federation of Red Cross and Red Crescent Societies (IFRC) (Regulation XIV) state that the Secretary General shall establish an internal audit and risk management function<sup>7</sup> and that the activities of the internal audit function will be detailed in an Audit Charter.
2. This Charter constitutes the framework for the Office of Internal Audit and Investigations (OIAI) of the IFRC, and sets out the OIAI's purpose, mandate, authority, and responsibilities.
3. This Charter is supported and underpinned by the OIAI's internal audit manual, investigation SOPs (standard operating procedures), and relevant IFRC's Policies<sup>8</sup>.

## Values and mission

---

4. The OIAI comprises two key functions: audit (internal and external) and investigations. The role of the OIAI is to support the IFRC to meet its obligations for good governance, integrity, accountability, transparency, and probity to its stakeholders.
5. The OIAI is an independent and objective assurance and investigation function that adds value to and helps enhance the operations of the IFRC and its members. The OIAI helps the organisation achieve its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management, and internal control.
6. The OIAI's vision is to drive positive change, to enable the IFRC to remain a dynamic global network that makes a difference to the communities we serve.
7. The OIAI's mission is to protect and enhance the value the IFRC brings to the world's most vulnerable. It does this by providing independent, objective, timely and insightful risk-based audit (internal and external), investigation, and advisory services.

## Purpose

---

8. The purpose of the OIAI internal audit function is to provide independent and objective assurance to the Secretary General and IFRC's leadership over the adequacy and effectiveness of organisation's governance, risk management, and control processes. The OIAI internal audit function provides support to management, through its risk-based audit and advisory work, to better manage risks and achieve the IFRC's objectives.
9. The OIAI investigation function carries out administrative investigations into staff misconduct. The role of an investigation by the OIAI is to examine allegations of, or information concerning misconduct, or other wrongdoing, involving IFRC personnel, to determine whether they have occurred, and if so, the person or persons responsible. Investigations may also examine alleged wrongdoing by other persons, parties, or entities, deemed to be detrimental to the IFRC.

---

<sup>7</sup> Note that risk management has now been established as a separate function and the Office of Internal Audit and Investigations has been established comprising audit (internal and external) and investigations.

<sup>8</sup> Prevention and Response to Fraud and Corruption, Prevention of Sexual Exploitation and Abuse and the Prevention of Sexual Harassment, IFRC Code of Conduct and IFRC Staff Regulations

## Professional standards

---

10. OIAI internal audit activities all comply with the Global Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing.
11. OIAI investigations activities adheres to- the Conference of International Investigators (CII) Uniform Principles and Guidelines for Investigations, the Association of Certified Fraud Examiners (ACFE) Code of Professional Standards, the ACFE Code of Professional Ethics, and the CHS Alliance Guidelines for PSEAH Investigation. Other relevant investigation standards should also be adhered to by the OIAI.
12. OIAI's professional staff who are members of other professional institutes and bodies will also comply with their professional regulations.

## Role and scope of audit activity

---

13. The scope of OIAI audit activities will include all programmes, operations, and activities of the IFRC, including support to and interactions with member National Societies and partners.
14. The OIAI may perform advisory services related to governance, risk management, and internal control provided it does not impair the Office's independence.
15. The OIAI will fulfil its assurance and advisory role through the systematic review and evaluation of risk management, internal controls, and governance, including policies, processes, and activities that management have put in place to:
  - Ensure effective governance and decision-making processes that support the achievement of the IFRC's strategic objectives.
  - Establish and monitor the achievement of the IFRC's objectives.
  - Identify, assess, and manage risks that could have an adverse impact on the achievement of organisational objectives.
  - Manage key business processes (financial, programme, and operational - including IT business processes).
  - Ensure the economical, effective, and efficient use of resources.
  - Ensure compliance with established policies, processes, laws, and regulations.
  - Safeguard resources from losses of all kinds, including those arising from fraud, theft irregularity, bribery, or corruption.
  - Safeguard employees and the communities we support from sexual abuse, exploitation, and harassment.
  - Ensure the integrity and reliability of information, accounts, and data.

## Fraud & corruption, and sexual exploitation, abuse, and harassment

---

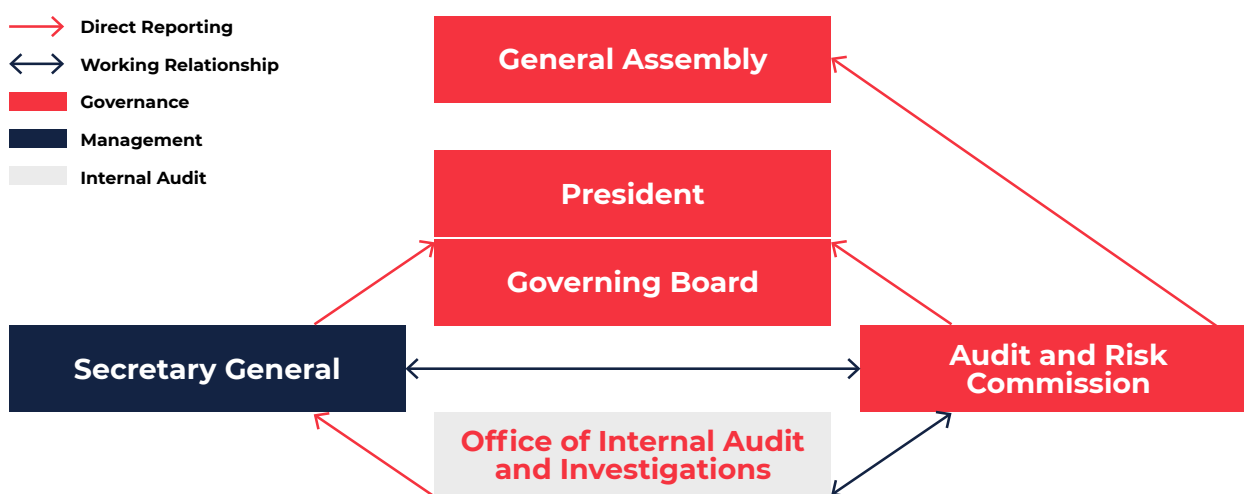
16. Managing the risk of fraud and corruption and SEAH is the responsibility of the IFRC's management team. The management team is responsible for establishing appropriate measures to ensure that an adequate system of internal control has been designed and is operating effectively.
17. The OIAI is accountable for evaluating the controls in place reduce the risk of fraud or SEAH, through its regular assurance activities.

18. The OIAI investigation team ensures the investigation of fraud, corruption, and sexual misconduct. Risk evaluations (audits) and investigations together with appropriate sanctions and redress for those who pursue fraudulent, corrupt, or inappropriate sexual activities and proper governance of procedure and process reduce the risk of abuse of IFRC staff, beneficiaries, and assets. These activities, along with dialogue over fraud and sexual misconduct risk across the Federation complements the prime responsibility placed upon line management, at all levels, to deter and detect wrongdoing and abuse through the maintenance of adequate controls and procedures.
19. The investigation mandate of OIAI is limited to the IFRC programmes, operations and activities, and programmes, operations, and activities carried out by National Societies and partners where these are funded by or through the IFRC.
20. The investigation mandate of the OIAI does not normally extend to those areas for which separate provisions have been made for review, workplace conflicts, grievances, performance issues, and administrative decisions. During the intake process, it rests with the OIAI to determine whether such matters may involve misconduct and should be handled by the OIAI or if they should be referred to other internal bodies.
21. All investigations conducted by the OIAI are administrative in nature.

## Independence

---

22. Independence is essential to the effectiveness of audit and investigations.
23. To ensure independence, the OIAI has no executive functions, and the Director of the OIAI is a permanent staff member and has dual reporting directly to the Secretary-General and Chair of the Audit and Risk Commission.
24. The Director of OIAI's performance is managed by the SG and informed by input from the Chair of the Audit and Risk Commission (ARC).
25. The Chair of the ARC will participate in the recruitment when selecting a new Director of the OIAI. The appointment and removal of the Director of the OIAI Will be a function of the Secretary General and must be decided in consultation with the Chair of the ARC. The ARC has an oversight role and is responsible for endorsing the job description and recruitment process.
26. The reporting lines and relationships of the OIAI are outlined below:



27. The OIAI shall be independent of all programmes, operations, and activities it audits, to ensure the impartiality and credibility of the work undertaken.
28. While OIAI staff may be embedded within regional, cluster, or country offices, their reporting line remains to the Director of the OIAI (through the Head of Audit and Head of Investigations), to safeguard the independence of all OIAI staff regardless of their operational base.
29. The OIAI will carry out its work in a professional, impartial, and unbiased manner. Conflicts of interest should be avoided, but if identified, they will be recorded and highlighted as part of the audit or investigations scoping process, including how they will be mitigated. Significant and material conflicts of interest must be reported to the ARC, which will recommend actions to mitigate the risks arising from any potential conflicts of interest.

## Authority

---

30. The Director of the OIAI has the authority to initiate, carry out, and report to the SG on any action that they consider necessary to fulfil their mandate, and shall have direct access to the ARC.
31. For the performance of their duties, OIAI staff shall have unrestricted, unlimited, direct, and prompt access to all relevant records, IT equipment, officials or personnel, and to all IFRC premises.
32. The OIAI respect and keep the confidential nature of any information gathered or received that applies to and through audit or investigations activities and shall use such data only in so far as it is necessary for the performance of its work.

## Responsibility

---

33. The Director of the OIAI is responsible for ensuring there is an appropriate audit strategy, using an appropriate risk-based methodology, that adheres to professional standards. The Director of the OIAI is also responsible for setting out how assurance services will be provided over an annual period that will enable the OIAI audit function to give reasonable assurance over risk management, governance, and internal controls.
34. The Director of the OIAI is responsible for ensuring that all investigations are conducted in line with professional standards and maintain objectivity, impartiality, and fairness throughout. The Director will ensure that suitable processes are in place to ensure that investigations are conducted in a timely, impartial, thorough, and fair manner that respects the rights of all parties.
35. Before the start of each financial year, the OIAI will present an annual work programme to the ARC for endorsement before being submitted to the Secretary General for approval.
36. The Director of the OIAI will provide the Secretary General and the ARC with an annual Directors Statement on the overall state of internal controls across the IFRC and any systemic issues requiring management attention, based on the work of the OIAI and other assurance providers, drawing out key lessons to be learned.

## Reporting

---

37. After each audit engagement, reports are issued by the Director of the OIAI to the relevant process owner and member of IFRC leadership (as needed) to action. These are copied to the Secretary General and the ARC. Suggestions and agreed management actions are systematically recorded and their effect on risks identified are followed up to ensure the effective mitigation of risks.

38. The issue of investigation reports relating to IFRC staff is governed by IFRC Staff Regulations and are issued to the HR Director for consideration. Investigation reports relating to external actors or National Societies are issued by the Director of OIAI to the relevant process owner and member of the Executive IFRC leadership (as needed) to action. These are copied to the SG Secretary General and the ARC.
39. Throughout the year, the OIAI prepares periodic reports to the Secretary General and ARC, summarising key findings from audit engagements. At the end of the financial year, the Director of the OIAI (supported by the Head of Audit) prepares an annual statement and provides a view on the adequacy and effectiveness of management systems.

## Relationship and coordination with external audit

---

40. The Director of the OIAI will meet regularly with the IFRC's external auditors to discuss audit plans and work and identify areas where assistance and assurance can be provided to each other. Coordination will help ensure the adequacy of the IFRC's overall audit coverage and will minimise duplication of effort.
41. The Director of the OIAI will ensure that the commissioning of external audits for IFRC programmes is done in a fair and timely manner. The Director of the OIAI will ensure that all contracted external audit work is completed to the high standard expected by both the IFRC and its donors and is aligned with the requirements in this Audit Charter.

## Recruitment and skills

---

42. The Director of the OIAI is responsible for ensuring that the department is suitably resourced – in terms of staff numbers and capability – to deliver its assurance and investigation services effectively. The Director of the OIAI will ensure that staff have the necessary qualifications, skills, and experience to perform their duties.
43. Through IFRC's performance management framework, the Director of the OIAI will ensure that staff are aware of and comply with relevant professional standards, including the requirement to maintain continuing professional development.

## Quality assurance

---

44. The Director of the OIAI is responsible for ensuring that audit and investigations work adheres to relevant professional standards.
45. The OIAI audit function will have an external quality assessment (EQA) every five-years, or more frequently as required, and periodic internal quality assessments (IQA).
46. The Director of the OIAI is responsible for commissioning the EQA and engaging the ARC in the exercise.
47. The Director of the OIAI will provide periodic update reports to the ARC of the results of internal quality assessments (IQA) and ongoing audit enhancement programme.

## Revision clause

---

48. This Charter will be subject to annual review by the ARC (as an annex to the Directors report) and subject to a complete revision at least every four years or more frequently when it is considered necessary.

### Approved by:

**Jagan Chapagain**

*Secretary General, CEO*

International Federation of Red Cross and Red Crescent Societies

# **THE FUNDAMENTAL PRINCIPLES OF THE INTERNATIONAL RED CROSS AND RED CRESCENT MOVEMENT**

## **Humanity**

The International Red Cross and Red Crescent Movement, born of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavours, in its international and national capacity, to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, cooperation and lasting peace amongst all peoples.

## **Impartiality**

It makes no discrimination as to nationality, race, religious beliefs, class or political opinions. It endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.

## **Neutrality**

In order to enjoy the confidence of all, the Movement may not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.

## **Independence**

The Movement is independent. The National Societies, while auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the Movement.

## **Voluntary service**

It is a voluntary relief movement not prompted in any manner by desire for gain.

## **Unity**

There can be only one Red Cross or Red Crescent Society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.

## **Universality**

The International Red Cross and Red Crescent Movement, in which all societies have equal status and share equal responsibilities and duties in helping each other, is worldwide.



**The International Federation of Red Cross and Red Crescent Societies (IFRC)** is the world's largest humanitarian network, with 191 National Red Cross and Red Crescent Societies and around 15 million volunteers. Our volunteers are present in communities before, during and after a crisis or disaster. We work in the most hard to reach and complex settings in the world, saving lives and promoting human dignity. We support communities to become stronger and more resilient places where people can live safe and healthy lives, and have opportunities to thrive.