



United Nations
Educational, Scientific and
Cultural Organization

Organisation
des Nations Unies
pour l'éducation,
la science et la culture

Organización
de las Naciones Unidas
para la Educación,
la Ciencia y la Cultura

Организация
Объединенных Наций по
вопросам образования,
науки и культуры

منظمة الأمم المتحدة
للتربية والعلم والثقافة

联合国教育、
科学及文化组织

Internal Oversight Service Audit Section

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Audit of the UNESCO Office in Rabat

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Auditors:

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EXECUTIVE SUMMARY

Key Results:

The UNESCO Cluster Office in Rabat has a diverse portfolio of programme activities and projects across the cluster countries and programme sectors; however, a declining portfolio of Extrabudgetary projects requires attention. The Office will need to prepare a resource mobilisation plan and adopt a prioritized and proactive approach in mobilising donor funds. To support this, it will be important to prepare the UNESCO Country Programming Documents for countries served by the Office. Given the resource constraints and other challenges cited by the Office, BSP needs to review the purpose, the form and the content of the UNESCO Country Programming Documents and issue necessary guidance.

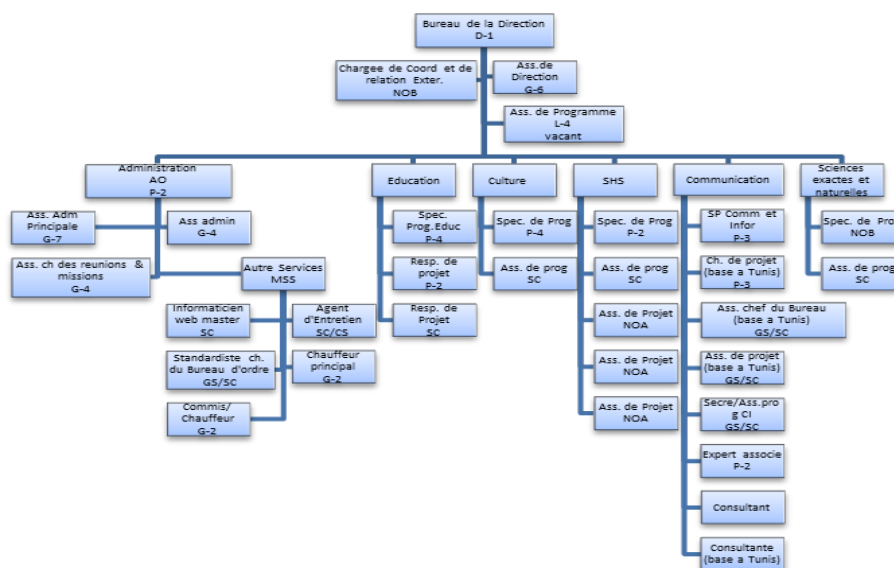
The Office's administrative and financial controls are operating effectively, with the exception of contracts and travel. Principally, it needs to move away from the current overreliance on non-competitive contracting and ensure competitive selection. The current system of a centrally managed consultant roster, for example, was not useful to the Office, and HRM will need to improve current practices of maintaining and updating the corporate consultants' roster to facilitate competitive and transparent selection of consultants. With regard to travel, improvements are needed in planning and in the competitive selection of the travel agency.

Background

1. The UNESCO Office in Rabat was established in 1991 and is the cluster office representing UNESCO in Algeria, Mauritania, Morocco and Tunisia. The scope of activities covers all five of the organization's areas of competence: education, natural sciences, social sciences, culture and communication.

2. The mission of the Office includes (i) contributing to the setting up and reinforcement of institutions dedicated to heritage preservation and the sharing of knowledge; (ii) helping Member States to devise national policies to achieve the objectives in all UNESCO's domains; and (iii) promoting the ideals of the organization, that is, peace, democracy and human rights, through the sharing of knowledge. The 2013-2014 budget allotments for the Office totaled \$1.6 million for the Regular Programme (RP) and \$2.5 million of extrabudgetary funding.¹

3. As at November 2014, the Office comprised 33 personnel including 12 fixed term staff, one associate expert, 5 officers on project appointments, 13 individuals on service contract and two consultants. The organigram of the Office is presented below.



¹ Data extracted from SISTER and FABS

Scope, Objective and Methodology

4. The audit objective was to assess the functioning of the Office including its internal controls, programme management, reporting and compliance with UNESCO rules and procedures. The overall scope of the exercise covered:

- Programme & Project Management
- Contracting & Procurement
- Financial Management
- Human Resource Management
- Travel

5. The audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing* and covered activities and transactions undertaken from January 2013 to October 2014. Methodology was based on a risk assessment conducted during the planning phase of the audit and substantive testing of a sample of projects and programme activities, contracts, travel and financial transactions. In doing this, the auditors examined relevant programme and transactional documentation and interviewed personnel, both in Headquarters and in the Rabat Office as well as members of the common UN system and selected vendors.

Achievements

6. The Office maintains a diverse portfolio of programmes / projects across the cluster countries and programme sectors, with the exception of the Science Sector. Recognising the potential for programmes in the natural sciences, the Office has recruited an SC Programme Specialist at the NOB level as well as an SC programme assistant. Implementation rates of extrabudgetary projects are above UNESCO's average.

7. Administrative and financial controls are operating effectively. The Office uses appropriate contract types, maintains supporting documentation on contracts and payments, and payments are made mostly through Headquarter Treasury Payments and local wire transfers rather than through local cheques. Mission travel is administratively controlled and obligations and expenditures are appropriately monitored. The Office premises are secure and funded by the host government. All recommendations for improving compliance with MOSS have been implemented. The Office is also in the process of negotiating for larger premises.

Challenges and Opportunities

8. Notwithstanding its large personnel contingent, the Office has a declining portfolio of extrabudgetary activities. While a number of initiatives have been taken in fund raising through preparation of project proposals, such efforts lack a strategic and coordinated approach in identifying potential donors and their preferences in funding these proposals.

9. Of the four countries in the cluster, UCPDs are yet to be established for three countries (Tunisia, Mauritania and Algeria) whereas the UCPD for Morocco was last established for the period 2011-13 and now needs updating.

10. The Office needs to improve its contracting process, as there is overreliance on non-competitive contracting with several waivers granted without convincing rationale. Establishing a local roster would facilitate competitive selection of consultants. Further, there is a need to complete more rigorous performance evaluation of contractors so that a feedback on their performance is obtained for future contracting decisions and lessons are learnt on difficulties encountered in the performance of the contractor.

11. Better planning is needed for missions. The majority of travel plans are entered into the system less than two weeks prior to the travel, resulting in purchase of tickets at short notice.

12. Travel tickets are purchased (a total of \$135,000 in 2013) from a travel agent without competitive selection and without an agreement in place specifying service standards.

13. Human Resource Management needs to be strengthened, e.g., performance evaluations for Service Contractors are not being completed systematically.

Assessment of Controls

14. As part of the audit, IOS validated the most recent self-assessment of internal controls performed by the Office and certified by the Director in February 2014. The purpose of this validation is to reinforce the self-assessment methodologies and resultant assurance as this process continues to evolve. We concluded that the self-assessment accurately presented the status of the Office's controls in five of the seven functional areas tested. Implementation of the recommendations contained in this report will improve controls where needed.

Functional Area	Self-Assessment	IOS assessment
Programme Management	Globally Under Control	Needs Improvement (see Recommendation 1)
Financial Control	Globally Under Control	Globally Under Control
Supply of Goods, Works & Services	Globally Under Control	Needs Improvement (see Recommendations 3 and 5)
Human Resource Management	Needs Improvement	Needs improvement (see Recommendations 7 and 9)
Travel Management	Needs Improvement	Needs improvement (see Recommendations 5 and 8)
General Administration	Globally Under Control	Globally Under Control

Table of recommendations

We recommend that:

Recommendation 1: The Office prepare a comprehensive resource mobilization plan covering all four cluster countries, based on situation analysis and donor funding opportunities in each country and undertake coordinated (across the programme sectors and in coordination with BSP/CFS) efforts in raising extrabudgetary funds.

Recommendation 2: BSP review the purpose, form and content of the UNESCO Country Programming Documents and issue updated guidance to UNESCO field offices based on the results of the review.

Recommendation 3: The Office reiterate to all certifying and approving officers the importance of competitive contracting. In all instances of non-competitive contracts and agreements, certifying and approving officers should ensure that sufficient cost analysis is undertaken prior to awarding the contract in order to reasonably conclude that the contract represents appropriate value for money.

Recommendation 4: HRM review the current practice of maintaining and updating the consultants' roster, as well its usefulness to the user Sectors and Offices, and undertake necessary changes to make the consultant roster more effective and responsive to user needs.

Recommendation 5: The Office, through a competitive selection process, enter a long-term agreement for travel services and air tickets.

Recommendation 6: The Office instruct Programme Specialists to complete more rigorous contractor evaluations based on the assessment of the performance and deliverables under the terms of reference of the contract. This will provide a documented assessment of a contractor's performance in order to facilitate an informed decision as to whether the contractor met the Organisation's requirements and can be relied upon for future engagement.

Recommendation 7: The Office's Administrative Officer organize training for the recruiting managers so that they fully comprehend and apply the recruitment procedure, particularly the preparation of the vacancy notice, candidate pre-selection and evaluation phase.

Recommendation 8: The Office establish and maintain a travel plan incorporating all foreseen mission travel. In exceptional cases, when unforeseen missions are undertaken, these are entered in the travel plan as soon as possible. Further, the tickets for the mission travel should be purchased at least 14 days prior to the commencement of the mission, as required under the travel policy.

Recommendation 9: The Office ensure that all Service Contracts that are coming to an end are evaluated before the final payment is made, in line with UNESCO regulations. In this regard, the Administrative Officer should require that no final payments to Service Contractors are made, or contracts are renewed, without a signed performance appraisal report.