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

Audit of the UNESCO Office in Apia

May 2015

Prepared by:
Tuyet-Mai Grabiel
Mikko Ruotsalainen

EXECUTIVE SUMMARY

Key Results

The Apia Office is generally well managed and collaborates effectively with the Regional Offices in delivering its programme. It should be noted, however, that before the appointment of the current Head of Office, there were management shortfalls including poor financial and administrative controls. To avoid such gaps in management and resultant problems in the future, better succession planning is needed.

Programme coherence is particularly challenging for this small Office serving 17 Member States. In this regard, the standard requirement for UNESCO Country Programming Documents should be reconsidered and modified in order to better address this challenge.

While administrative and financial controls are now generally in place and operating as intended; contracting practices should be improved through close monitoring and coaching by the Administrative Officer.

Background

1. Created in 1984, the UNESCO Office in Apia is a cluster office serving seventeen Member States as follow: Australia, Cook Islands, Fiji, Kiribati, Marshall Island, Micronesia, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu and Tokelau. It also maintains an antenna in Fiji with an Intergovernmental Oceanic Commission (IOC) representative.

2. The Office serves as a clearinghouse for the dissemination and sharing of information in the region and supports the Member States to build their human and institutional capacities in the fields of education, natural and human sciences, culture, and communication and information. This work is undertaken in partnership with Pacific National Commissions for UNESCO, UNESCO Regional Bureaux, other UN Agencies, regional organisations, educational institutions and civil society.

3. In 2012, Samoa requested the UN Development system to adopt the Delivering as One approach in the country. There are three sub-regional UN offices in the Pacific located in Fiji, Samoa, and Papua New Guinea, led by UN Resident Coordinators representing the UN Secretary General. The Fiji Office covers ten Pacific Island Countries (PICs), the Samoa Office covers four, and Papua New Guinea has its own Office. A system of UN Joint Presence Offices (JPOs) prevails in nine PICs, currently funded by four UN agencies. Upon his visit to the Pacific, during the International Conference on Small Islands Developing States in Apia in September 2014, the UNSG requested a study to map out the UN presence in the Pacific and strengthen this network of JPOs in all 17 PICs for effective, coherent and sustainable system-wide delivery.

4. The Office's Regular Programme (RP) and Extrabudgetary (EXB) allocations for the past and current biennia are presented in Figure 1. It should be noted that the RP for the Natural Science (SC) programme increased in the second biennium in preparation of the SIDS conference, and the overall EXB budget is stable with several projects in the pipeline for the SC programme.

Figure 1: Budget breakdown per sector as of December 2014

Period	2012-2013						2014-2015					
	Total		RP		EXB		Total		RP		EXB	
Area	Nb	US$	Nb	US$	Nb	US$	Nb	US$	Nb	US$	Nb	US$
ED	17	1,335,122	8	214,761	9	1,120,361	7	667,626	3	4,728	4	662,898
SC	3	27,285	3	27,285	-	-	13	695,115	12	496,000	1	199,115
SHS	3	23,883	3	23,883	-	-	-	-	-	-	-	-
CLT	8	240,399	5	39,480	3	200,919	5	63,274	2	1,143	3	62,131
CI	16	253,135	3	49,381	13	203,754	5	8,200	1	300	4	7,900
Staff	-	60,371	-	60,371	-	-	-	6,533	-	6,533	-	-
Running	-	709,841	-	709,841	-	-	-	425,984	-	425,984	-	-
Total	**47**	**2,650,036**	**22**	**1,125,002**	**25**	**1,525,034**	**30**	**1,866,732**	**18**	**934,688**	**12**	**932,044**

Source: FABS as of 9 December 2014

5.   As of December 2014, the Office comprised 22 personnel including thirteen fixed-term staff, six service contract holders and three UN volunteers. The Head of Office was appointed in November 2013 and the Administrative Officer in February 2014. Two posts, vacant at the time, were downgraded – the Social and Human Science post from P-4 to P-2 and the Communication and Information post from P-3 to NOA.

Figure 2: Organizational Chart as of 3 December 2014
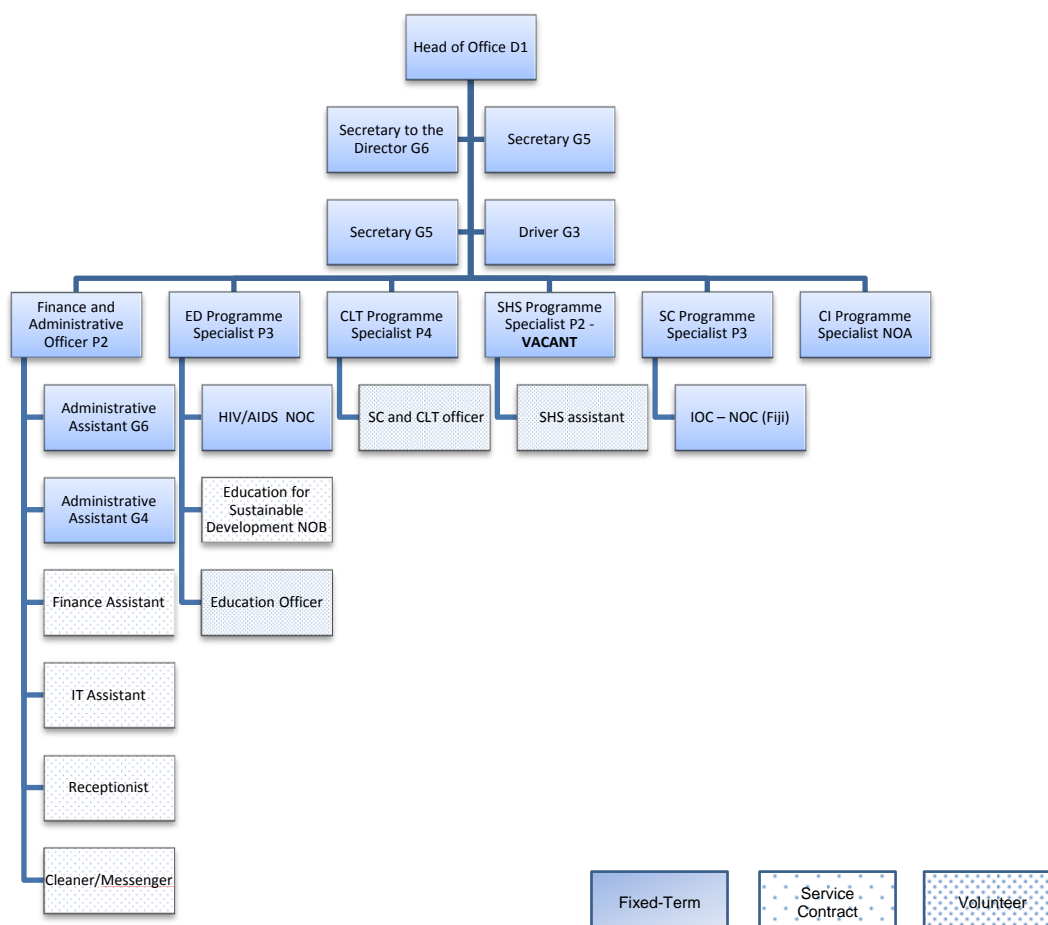
Control Self-Assessment

6.   As part of the audit, IOS validated the self-assessment of internal controls performed by the Apia Office in February 2014 and certified by its Head of Office. In our opinion, the self-assessment accurately reflected the status of controls in all functional areas at that time. IOS noted improvement in controls during and subsequent to our assessment, which is reflected in the Control Self- Assessment done in February 2015. Implementation of the recommendations contained in this report will improve controls in the areas of programme management, financial control and supply of goods, works and services.

Figure 3: Validation of Internal Control Self-Assessment

Functional Area	Control Self-Assessment February 2014	IOS Assessment December 2014	Control Self-Assessment February 2015
Office Objectives	Globally Controlled	Globally Controlled	Globally Controlled
Programme Management	Needs Improvement	*Needs Improvement (Recommendations 1, 2 & 3)*	Needs Improvement
Financial Control	Needs Improvement	*Needs Improvement (Recommendation 4)*	Globally Controlled
Supply of Goods, Works & Services	Needs Improvement	*Needs Improvement (Recommendation 5)*	Globally Controlled
Human Resources Management	Globally Controlled	Globally Controlled	Globally Controlled
Travel Management	Globally Controlled	Globally Controlled	Globally Controlled
General Administration	Globally Controlled	Globally Controlled	Globally Controlled

Scope, Objective and Methodology

7.   The audit objective was to assess the functioning of the Apia Office, including its internal controls, programme implementation, reporting and compliance with UNESCO rules and procedures. The audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing* and covered activities undertaken from January 2012 to December 2014.

8.   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 and financial transactions. In doing this, the auditors examined relevant programme and transactional documentation and interviewed UNESCO personnel, both in Headquarters Services and in the Apia Office.

Achievements

9.   Administrative and financial controls have substantially improved during 2014 and are operating as intended following the appointment of the Head of Field Office and the Administrative Officer.

10.   Progress achieved on activities and projects is reliably recorded in SISTER, and requests for project extensions are communicated and obtained on time in case of delayed

implementation. Implementation rates are monitored regularly and, overall, were on track at the end of 2014.

11.   The Office maintains effective relations with the Regional Offices in Bangkok and Jakarta for collaboration and support of its programme. The Office also reinforces its capacity with cost-effective initiatives, notably engaging United Nations volunteers for assistance in the implementation of activities.

Challenges and Opportunities

12.   Succession planning for key posts needs considerable improvement. Prior to being filled, the posts of Head of Office and Administrative Officer were both vacant for more than one year, which impaired Office effectiveness and control and also impacted staff morale. Furthermore, segregation of duties remained a challenge during this period despite interim arrangements and temporary back-up of the administrative function.

13.   Enhanced delegations to Field Offices were introduced in 2014 that were intended to preclude Headquarters from implementing action that can be carried out by a field unit. These delegations envisioned increased authority of Heads of Field Offices including clearance of missions (and mission programmes of work) to the countries under their coverage. While the principle is clear, better mechanisms are now needed to operationalize this delegation.

14.   The Office has not complied with the requirement of completing UNESCO Country Programming Documents (UCPDs) for the 17 countries that it serves. These documents are to set forth (i) a situation analysis of the individual countries, (ii) past and present cooperation, (iii) a framework for future cooperation and (iv) partnership approaches. Recognizing the importance of the UCPDs and, at the same time, the complexities for a small Office in developing 17 separate UCPDs, a revised form and content should be considered for this cluster.

Table of recommendations

Recommendation 1: HRM, in collaboration with BSP, to establish and maintain a documented succession plan for the post of Heads of Field Office anticipating retirements, rotational transfers and setting forth the appropriate timing of recruitments and appointments.
Recommendation 2: The Apia Office (i) in collaboration with BSP, to identify an appropriate form and content for the UNESCO Country Programming Document for the 17 countries served by the Office and (ii) in collaboration with the respective Member States, to complete country programming documents that support visibility, resource mobilization, partnership and programmatic coherence.
Recommendation 3: BSP in collaboration with FM to develop a mechanism that formalizes the role of Heads of Field Offices for clearance of missions to their respective countries of responsibility. This could be done through the insertion, in the DUO Travel Plan, of a step requiring clearance by Head of Field Office before the supervisor's or approver's validation.
Recommendation 4: The Apia Office to strengthen controls over checks. This should include the use of crossed checks and reemphasizing to the bank the importance of adhering to the bank signatory list in accepting instructions from the Office.
Recommendation 5: The Apia Office to specifically assign the Administrative Officer to coach personnel as needed and closely monitor compliance with the Administrative Manual for (i) competitive selection of contractors, (ii) creating Service Entry Sheets and (iii) certifying contracts and payments.