



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、
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Internal Oversight Service Audit Section

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Audit of UNESCO's Office in Phnom Penh

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EXECUTIVE SUMMARY

Key Results of the Audit

UNESCO's Office in Phnom Penh is highly visible within the country and is mainly active in Education, Culture and increasingly in Communication and Information. The Office is one of the key players in preserving Cambodia's cultural heritage and is actively developing national capacities in education and communication and information.

The Office's financial and administrative controls are generally in place and functioning as intended; however, improvements are needed in contracting and travel management. In addition, the Office needs to assume its administrative responsibilities and comply with UNESCO's rules and procedures in managing the Siem Reap Project Antenna.

Background

1. The UNESCO Office in Phnom Penh was established in 1991 and is a National Office with both representational and operational functions. It also provides the services of the Standing Secretariat for the International Coordinating Committee for the Safeguarding and Development of the Historic Site of Angkor. This is a forum where technical experts such as architects, engineers, restorers, archaeologists, researchers and anthropologists can exchange experiences and views for the preservation and development of the Angkor site.
2. The Office has a Regular Programme budget of US\$2.1 million for 2014/15 biennium, a slight increase from the prior biennium (see Table 1).

Table 1: Regular Programme during 2012/13 and 2014/15

Type	No. of activities	2012/13 allocation (USD)	No. of activities	2014/015 allocation (USD)
Running costs		271,379		281,839
Security		61,670		81,048
Staff Costs		1,465,850		1,594,000
Education	2	50,499	2	50,000
Culture	4	104,881	3	95,950
Communication & Information	5	37,728	3	35,980
Total	11	1,992,007	8	2,138,817

Source: FABS data (YFM 1)

3. Allotments for extrabudgetary projects during 2014 totaled US\$1.3 million (see Table 2), and the Office has recently mobilized extrabudgetary funding of US\$2.5 million for Communication and Information projects and an additional US\$149,000 for Culture.

Table 2: List of Extrabudgetary Projects implemented during 2014

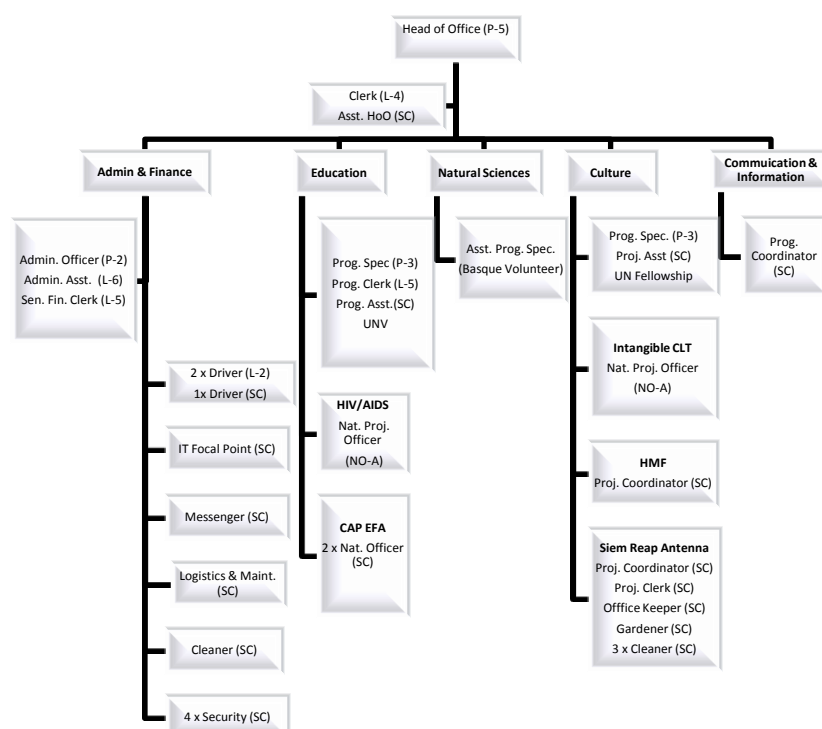
Budget code	Project title	Donor	Sector	Allotment 2014 (USD)
503CMB5000	Working Towards an Access to Information Law in Cambodia: Bridging the Government and Citizens for Participatory Law-making	SIDA	CI	124,861

Budget code	Project title	Donor	Sector	Allotment 2014 (USD)
513GLO4013	Centenary of World War I and its Underwater Cultural Heritage - Exhibit on African and Asian Involvement	Flanders	CLT	20,032
520CMB4004	Comité international de coordination pour la sauvegarde et le développement du site historique d'Angkor	France	CLT	36,079
534CMB4002	Safeguarding of the Angkor Wat Temple - Phase II	Italy	CLT	42,979
536CMB4015	Safeguarding of the Bayon Temple of Angkor Thom, 4th phase of the UNESCO / JASA Project	Japan	CLT	475,313
727CMB1000	Supporting Development of Education Strategic Plan 2014 - 2018	GPE	ED	178,215
928CMB4000	World Heritage Site of Angkor, Heritage Management Framework	Cambodia	CLT	24,817
467GLO1007.21	CAP EFA	Multi-donor	ED	388,645
559GLO1041/1.3.3.4	Education for Sustainable Development - Building Momentum Towards 2015	Japan	ED	28,466
257RAS1011.3	HIV and Health Activities in Asia Pacific Region	UNAIDS	ED	27,488
Total				1,346,895

Source: FABS data YPS8 as of December 2014

4. The Office comprises 37 personnel including seven holding extrabudgetary Service Contracts stationed at the Siem Reap Project Antenna (see Figure 1).

Figure 1 Phnom Penh Office Organization Chart



Scope, Objective and Methodology

5. 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
- Publications
- Travel

6. 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 2012 to September 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 records and interviewed personnel, both in Headquarters and in the Phnom Penh Office, as well as representatives of the National Commission for Cambodia. The auditors also conducted a project site visit to Siem Reap to verify project deliverables, non-expendable property and administration of the antenna.

Achievements

7. The Office actively supports capacity development of the Cambodian Government in several of UNESCO's fields of competence, with particular focus on Culture and Education as well as a growing portfolio of Communication & Information projects. Noteworthy examples of its engagement include supporting the preparation, implementation and monitoring of the National Education Strategic Plan and advising on the preparation of legislation on Information Access.

8. As the Standing Secretariat of the International Coordinating Committee for the Safeguarding and Development of the Historic Site of Angkor (ICC-Angkor), the Office is a key partner in preserving Cambodia's cultural heritage. In another instance, the Office coordinated with concerned Member States and private art collectors to ensure the return of Koh Ker statues to Cambodia. The statues are unique in form and history, and their return is considered a notable success in the implementation of the 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property.

9. The Office engages UNESCO's networks such as Category 2 institutes for programme implementation and fund raising. For example:

- The International Training Centre for Intangible Cultural Heritage in the Asia-Pacific region (CRIHAP), Chengdu, China has funded training courses on the 2003 Convention in organizing inventories, documentation and digitization.
- The International Centre on Space Technologies for Natural and Cultural Heritage (HIST) Beijing, China supports training missions to China on use of remote sensing and satellite imaging for World Heritage conservation for trainers from UNESCO and trainees of the Cambodian Government.

10. Further, the Office actively engages with other UN organizations in Cambodia and takes on key roles in areas of its competency by, for example, co-chairing and acting as Secretariat of the Education Sector Working Group (ESWG), a group that brings all donors (Bilateral, Multilateral and UN organizations) together for a common position vis-à-vis the Ministry of Education.

11. The Office effectively communicates its actions using its website to regularly disseminate press releases, speeches, videos and publication linked to its programmatic activities. While

Headquarters provide some support for resource mobilization, the Office's programme specialists have developed their own material for mobilizing resources from local funding partners.

Key Challenges and Opportunities:

12. The Office does not have a current UNESCO Country Programming Document (UCPD) that articulates a comprehensive programmatic vision for UNESCO's engagement in Cambodia. The previous 2009-2010 UCPD is obsolete and did not include substantive reference to opportunities in Natural Sciences and Social and Human Sciences. The formulation of the updated UCPD, in consultation with the Government of Cambodia, will afford the Office the opportunity to reflect country needs in its programme and to better focus its resource mobilization efforts.

13. The administration of the Project Antenna in Siem Reap needs to better follow the provisions set forth in a 2005 agreement between UNESCO and the Japan International Cooperation Centre. In this regard, UNESCO is responsible for all administration and maintenance of the project Antenna, and currently the Office does not fully meet its obligations for maintaining project inventory and ensuring security of the premises that houses international experts and receives a large number of visitors.

14. The Office needs to better plan its contracting and travel in order to meet operational needs and comply with UNESCO's policies. For example, a quarterly mission plan for missions will help achieve economies, and Contracts Committee approval needs to be sought where contracts with a single vendor exceed the established thresholds.

Assessment of controls

15. As part of the audit, IOS validated the January 2014 self-assessment of internal controls performed by the Office and certified by the Head of Office. The purpose of this validation is to reinforce the self-assessment methodologies and resultant assurance as this process continues to evolve. Following the field work, IOS also considered the Office's January 2015 self-assessment. We concluded that the two self-assessments accurately presented the status of the Office's controls in five of the seven functional areas tested, and more rigor will be needed in conducting self-assessment in the future. Implementation of the recommendations contained in this report will improve controls where needed (see Table 3).

Table 3: Validation of Internal Control Self-Assessment

Functional Area	Self-Assessment January 2014	IOS Assessment November 2014	Self-Assessment January 2015
Office Objectives	Globally under control	Needs improvement Recommendations 1, 8	Globally under control
Programme Management	Globally under control	Globally under control <i>Recommendations 3, 12, 14</i>	Globally under control
Financial Control	Globally under control	Globally under control <i>Recommendations 7, 10</i>	Globally under control
Supply of Goods, Works & Services	Globally under control	Needs improvement Recommendations 4, 13	Globally under control
Human Resources Management	Globally under control	Globally under control <i>Recommendation 6</i>	Globally under control
Travel Management	Globally under control	Globally under control <i>Recommendation 5</i>	Globally under control
General Administration	Globally under control	Globally under control <i>Recommendation 9, 11</i>	Globally under control

Table of recommendations

Recommendation 1: The Phnom Penh Office, in consultation with BSP and the host government, to update and finalize the UCPD for Cambodia, which should then form the basis for a resource mobilization plan with clear targets and timeframes.

Recommendation 2: BSP, in collaboration with the relevant services, to issue the detailed table of authorities and accountabilities, or otherwise modify the relevant sections of the Administrative Manual, to operationalize the revised delegations foreseen in DG/note/14/3 of 3 January 2014. This should include explanatory elements where needed to ensure a clear and consistent understanding.

Recommendation 3: The Phnom Penh Office to use the appropriate SISTER functionality to record and report activities carried out only with staff costs and their associated results.

Recommendation 4: The Phnom Penh Office to establish (i) an annual procurement plan for goods and services to facilitate timely project implementation and obtain economies of scale and (ii) monitoring and accountability mechanisms to regularly follow-up delivery of contracted goods and services.

Recommendation 5: The Phnom Penh Office to establish (i) procedures to ensure missions are entered in the travel plan and air tickets are purchased at least two weeks prior to departure and (ii) monitoring and accountability mechanisms to ensure regular and timely submission of mission reports.

Recommendation 6: The Phnom Penh Office to (i) perform regular evaluation for all service contractors and consultants and (ii) establish a local consultant roster, preferably as part of the corporate roster, and regularly record consultant evaluations.

Recommendation 7: The Phnom Penh Office to reiterate to all certifying officers (i) their respective certification limits, (ii) the zero-tolerance of noncompliance with these limits and (iii) the implications on individual performance assessments of any future noncompliance.

Recommendation 8: The Phnom Penh Office to implement appropriate administrative control over the Siem Reap project Antenna specifically by (i) clarifying the administrative provisions (e.g., security of premises, recording and safeguarding project inventory, providing accommodation to visiting experts) of the 2005 agreement with the JASA project partners; (ii) undertaking a MOSS assessment of the full premises and implementing resultant recommendations; (iii) implementing a visitor management process including a register of visitors and temporary personnel on site; (iv) undertaking periodic visits to the antenna by the Phnom Penh Administrative Officer to ensure application of UNESCO's rules and procedures.

Recommendation 9: The Phnom Penh Office, in consultation with LA, to assess risks associated with commercial activities in the Antenna and regularize as appropriate.

Recommendation 10: The Phnom Penh Office to (i) establish a complete register of non-expendable property procured or otherwise acquired by UNESCO, identifying the project that financed the acquisition, (ii) clarify the customs clearance procedures for project equipment imported on behalf of partners and maintain a register to record incoming and out-going equipment.

Recommendation 11: The Phnom Penh Office to restrict the use of UNESCO vehicles at the Siem Reap Antenna to authorize drivers and to maintain logbooks of vehicle use.

Recommendation 12: The Phnom Penh Office to prepare monitoring reports for the JASA project steering committee that are based on progress towards UNESCO's annual project and budget plans.

Recommendation 13: The Phnom Penh Office to engage with the host government to ensure that it fulfils its obligations for providing personnel as per the plan of operation.

Recommendation 14: The Phnom Penh Office to establish a time-bound plan with estimated costs for clearing the supplies and discarded excavation material at the three depots in the Angkor conservation area.