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منظمة الأمم المتحدة
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Internal Oversight Service Audit Section

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Remote Audit of the World Water Assessment Programme (WWAP) Secretariat, Perugia Italy

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Auditors:

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EXECUTIVE SUMMARY

Key Results:

IOS examined financial and administrative transactions, and the associated documents and records, of the Secretariat of the World Water Assessment Programme based in Perugia, Italy. The audit concluded that the Office's internal controls, particularly in the area of contracting, need strengthening and that excessive reliance on non-competitive selection of contractors and consultants should be sharply curtailed. Further, the associated accountabilities of the WWAP Coordinator need to be clarified and the Secretariat should participate in UNESCO's annual self-assessment and attestation of internal controls.

The human resource management at the WWAP Secretariat can be improved through a review of the staffing structure, job descriptions and staff placement.

There is a planned reduction in Italian Government contribution, which is the main funding source for WWAP, from 2015 onwards. This will pressure on WWAP budget unless alternative funding sources are developed.

Background

1. The World Water Assessment Programme (WWAP) was established in 2000. WWAP has operated as an UN-Wide programme hosted and led by UNESCO, taking a lead role in the collective UN system-wide water assessment and reporting process, bringing together UN agencies and partners with activities and expertise on water for a long-term programme. WWAP is responsible for the production of the World Water Development Report (WWDR), a UN-Water report.

2. In 2008, WWAP personnel moved from UNESCO Headquarters in Paris to the current premises in Perugia, Italy, following UNESCO signing a fund-in-trust agreement with the Italian Ministry of Environment, Land and Sea (IMELS) and another agreement with the local government Regione Umbria, through which the large premises of Villa La Colombella, located in Perugia, were made available free of charge to host the WWAP Secretariat.

3. The Memorandum of Understanding between UNESCO and the Italian Government (ratified in August 2013 by the Italian Parliament) provides for recurrent annual funding (€ 1.653 million per year from the national budget) to the WWAP Secretariat and the activities of the Programme. In addition to this core funding, in-kind support from UNESCO-IHP and in-kind and financial contributions from external partners are being mobilized.

4. At the time of the audit till September 2015, the secretariat was headed by an acting Coordinator (P-5), since December 2013. A new Coordinator (D-1) has been appointed in October 2015. In addition, the secretariat has three programme specialists (one P-4 and two P-3s). The administration is headed by an administrative Assistant (L-5), and the Secretariat also employs nine Service Contractors. Two of the three programme specialists are based at UNESCO headquarters in Paris.

Scope, Objective and Methodology

5. In order to complement an evaluation of the World Water Assessment Programme, IOS conducted a remote audit of the WWAP Secretariat. The audit objective was to assess the functioning of the Office's internal controls and compliance with UNESCO rules and procedures in Contracting & Procurement, Financial Management, Human Resource Management, Publication and Travel.

The remote audit is a limited-scope examination of financial and administrative actions, documents and records away from the place of action. The audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing* and covered activities undertaken from January 2014 to May 2015. The methodology entailed substantive

testing of a sample of contracts, travel and financial transactions. In doing so, the auditors examined relevant transactional documentation and interviewed personnel. The audit selected a sample of 23 contracts / purchase orders for review, totaling US \$ 422,000, representing 44 per cent by value of all contracts issued during the audit period.. Of these, 11 were contract for services/PO and 12 were individual consultant contracts. The audit also reviewed a sample of 18 mission travels with an expenditure of \$40,860. This represented 31 percent of all mission travels during the audit period.

Table of recommendations

Recommendation 1: WWAP Coordinator (a) in consultation with the SC/AO and BFM, to organise training of all personnel involved in the contracting process on the UNESCO policy for selection of contractors and (b) to ensure that the consultant roster is updated to include valid contact details of potential consultants.

Recommendation 2: ADG/SC, in consultation with BFM, to clarify the administrative and financial control over WWAP Secretariat and also introduce an annual Control Self-Assessment and attestation on WWAP internal control in line with UNESCO's mandatory procedures.

Recommendation 3: ADG/SC, (a) in consultation with BSP/CFS, to clarify the funding level with the Italian authorities and if necessary revise the funding agreement and (b) WWAP to prepare a resource mobilization plan to raise extrabudgetary funds in order to bridge a shortfall in core funding.

Recommendation 4: ADG/SC, in collaboration with HRM and BSP, to review the current staffing structure of WWAP and the placement of staff, with a view to optimise its operations. This could include consolidating all staff at Perugia.