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Organización
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Организация
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منظمة الأمم المتحدة
للتربية والعلم والثقافة

联合国教育、
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**Internal Oversight Service
Audit Section**

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**Review of UNESCO's
Management Control of Art and Gifts**

July 2010

Auditors:

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EXECUTIVE SUMMARY

Key Results of the Review

The audit's main objective was to assess UNESCO's framework for managing art and gifts in order to determine whether (i) our inventory record of artwork on hand is reliable and (ii) our policy on accepting gifts is relevant to current needs.

The audit concluded that UNESCO maintains an adequate inventory record of its art collection, but that improvements should be made in the processes for updating and verifying the inventory. A challenge is to find resources, including contributions, fund raising or other extrabudgetary funding to help alleviate resource shortages in managing the collection. Recent efforts should be continued to improve the transparency and reporting of the collection so as to meet Member State expectations.

With regard to the gift policy, UNESCO has established a framework for receiving and accepting gifts; however, aspects of the framework are not aligned with procedures for managing the art collection and do not meet current needs. Though staff regulations prohibit the acceptance of gifts, representational gifts are often presented to the Director-General, Assistant Directors General and other senior managers. There is no clear guidance or procedure to accept, decline, declare or manage these gifts. The absence of such procedures results in some gifts of small nominal value being retained permanently in UNESCO's art collection. In other instances, gifts not recorded in the art collection could be lost or be considered personal gifts, exposing UNESCO to reputational risks.

Background, scope and objective

UNESCO has acquired an extensive collection of art work currently comprising 678 items, last appraised at \$124.5 million, with 99 percent of the total value attributed to 55 items in the collection (see Annex I). This estimated value may be on the low side since some individual items represent a considerable value. Several of the principal items were purchased or donated during the construction of the Headquarters building, and the collection has continued to grow over the years. The Works of Art and Special Projects unit of the Headquarters Division (ADM/HQD/WAP) is responsible for managing the art collection. The Advisory Committee on Works of Art, a consultative group of six external experts, advises the Director-General on potential donations as well as on the control, conservation and protection of the collection.

The regulations and procedures regarding acceptance of gifts are set forth in UNESCO's Constitution, Financial Regulations, Staff Regulations and Rules, and Administrative Manual. These generally prohibit UNESCO staff from accepting personal gifts.

This review included UNESCO's processes for accepting, recording, controlling and disposing of works of art and gifts. It did not include independent verification of the valuation or authenticity of works of art or gifts as these were subject to a 2008 appraisal, nor did it include a separate security assessment as this was included in recent review of Headquarters facilities by the Paris Prefecture of Police.

Achievements in the management of UNESCO's art collection

The principal accomplishments of the Works of Art and Special Projects (WAP) Unit are the following:

- Completion of an external appraisal of the art collection in 2008;
- Establishment in 2009 of an on-line catalogue of items in the collection with photographs and descriptions;

- Maintaining accurate records of the art work on hand; and
- Progress in managing the collection in accordance with professional standards.

Challenges and opportunities in the management control of works of art and gifts

There are opportunities to strengthen the efficiency, effectiveness and accountability with regard to art and gifts. UNESCO needs to:

- Be more specific in its policy and procedures framework about receiving and accepting gifts;
- Refine its classification and criteria of the collection to better distinguish the heritage and common collections from representational / protocol gifts;
- Consider developing and implementing a plan to raise funding to support preservation, restoration and management of the collection; and
- Segregate incompatible duties, such as maintaining inventory records and physically verifying the inventory, in managing the collection.

Table of recommendations

Principal Recommendation:

Recommendation 1: The Ethics Office, in conjunction with HRM and ADM, should revisit UNESCO's gift policy and include a *de minimis* value for gifts exempt from disclosure and control.

Other Recommendations:

Recommendation 2: ADM/HQD should assess the advantages and implications of revised criteria for the UNESCO art collection and present its conclusions and proposals to the Advisory Committee on Works of Art.

Recommendation 3: ADM/HQD, in collaboration with ERC, should develop a resource mobilization plan for the current biennium to support the conservation, restoration and safeguarding of UNESCO's art collection. This may be combined with visibility activities such as fundraising events and could include, for example, a fixed subsidy when external parties rent UNESCO premises and / or a proposal for extrabudgetary support in the Complimentary Additional Programme.

Recommendation 4: ADM/HQD should continue its efforts to meet transparency expectations of Member States by maintaining the catalogue of the art collection and making information available through the Intranet and in presentations to the Headquarters Committee. The Headquarters Committee should be consulted on whether these efforts meet their need for information.

Recommendation 5: ADM/HQD should: (i) identify work-sharing arrangements within ADM that would effectively segregate incompatible functions, such as receipt and recording of artwork, periodic physical verification of art inventory, custody of stored items and updating the inventory records; and (ii) institute in coordination with ADM/PRO annual physical verifications of the art inventory by individuals independent of the custody and record-keeping functions.

Recommendation 6: ADM/HQD should locate the photographic panel by Brassai, determine its condition and value, and include it in the integrated register of works of art or formally record it as a loss subject to appropriate transparency and reporting.