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منظمة الأمم المتحدة
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联合国教育、
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**Internal Oversight Service
Audit Section**

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**Review of the Governance and Operational
Framework of Villa Ocampo**

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Auditors:

Sameer Pise

Dawn Clemitson

EXECUTIVE SUMMARY

Key results

The Villa Ocampo is well maintained and has achieved visibility through its activities and fund-raising initiatives. However, its activities are not subject to UNESCO's programmatic oversight and the governing council is no longer functioning. UNESCO should, in consultation with the Government of the Argentine Republic, determine the future direction of the Villa and take steps to align its operational and governance structures accordingly. If it is to continue to operate as a field antenna office within UNESCO's control framework, the Villa's fund-raising mechanisms and administrative processes should be better aligned with UNESCO's regulations and rules.

Background, Scope and Objectives

1. As part of the Audit Plan for 2010, the Internal Oversight Service (IOS) audited the Montevideo Regional Science Office in March 2010. In the course of this audit, IOS also reviewed the control framework for Villa Ocampo, a UNESCO entity in Argentina that administratively reports to the Montevideo Office.
2. The Executive Board authorized the Director-General in 1973 to accept a donation of two villas offered to UNESCO by Victoria Ocampo and Angelica Ocampo. The Deed of Gift specified that Villa Ocampo was to be used for the furtherance of UNESCO's objectives in accordance with its Constitution and short or medium term programme activities approved by the General Conference. The deed noted that "the donor desires that the property be used in a living and creative sense for the purposes of promotion, research, experimentation and development in culture literacy, artistic and social communication activities aimed at improving the quality of life, communication, international cooperation and peace among the peoples of the world."
3. In 1979, UNESCO took ownership of the villas. Villa Victoria was sold in 1981 and the proceeds placed in a special account intended to cover the expenses incurred for the development and maintenance of Villa Ocampo.
4. In the early 1990s, UNESCO signed a cooperation agreement with Fundación Sur, a foundation established in 1962 by Victoria Ocampo, to promote and develop various activities at the Villa and to strengthen its role as a centre for cultural dissemination and exchange of ideas. The Government of the Argentine Republic declared the Villa a national historic monument in 1997.
5. With few activities being conducted at the Villa, the garden became overgrown and the Villa fell into disrepair, this leading to newspapers and journals across the world reporting on its poor state. UNESCO's reputation and image suffered.
6. In 2000, the French Government financed a mission to explore ways of administering the Villa. This resulted in the 2002 agreement between UNESCO, the Government of the Argentine Republic, La Fundación Sur, La Asociación Por Villa Ocampo and La Fundación Victoria Ocampo. The agreement established a governing council to jointly administer the Villa and its activities.
7. A National Professional Officer was appointed as Executive Director of the Villa in 2003 and is responsible for ensuring security, restoration, maintenance and fundraising, and establishing activities based on UNESCO's programme. The sources of funding for Villa operations in 2008-09 is shown below:

Source	Amount in US\$
Regular Programme (Operating Costs)	135,585
Regular Programme (Salary of the Executive Director)	210,528
Extrabudgetary Operations	405,586
Government of Argentina	71,781
Interest	4,529
Total	828,009

8. The review considered UNESCO's framework for the Villa's governance and operations including programme management and administrative processes for the period 2008 and 2009. The review was not intended to provide reasonable assurance on the financial operations of the Villa for this period.

9. The results were discussed with Director Montevideo and the Executive Director of the Villa on 17 March 2010, and a debriefing to the relevant Headquarters services was held on 9 June 2010.

10. Achievements

The review concluded that the Villa:

- Is well maintained and insured against fire, theft and public liability.
- Has visibility through fundraising initiatives that finance additional overheads and running costs that are not covered by UNESCO's Regular Programme contribution.
- Has well designed controls for the sale of entrance tickets and merchandise.
- Maintains a website <http://www.villaocampo.org/cas/> that recognizes the Villa's affiliation to UNESCO, provides historical background on the Villa, and contains information on events at the Villa. E-forums such as Facebook are also used to communicate the Villa's activities to target groups.

11. Challenges and opportunities

- The Villa Ocampo governing council has not met since 2007 and is not currently functioning. The Villa's activities are not regularly reported to UNESCO Montevideo nor are activities assessed against UNESCO's objectives. As a result, the Villa operates without programmatic oversight.
- Fundraising mechanisms and administrative processes need to be aligned with regulations and rules if the Villa is to continue to operate as a UNESCO antenna office. In addition, the administrative capacity at the Villa should be strengthened.

12. Table of recommendations

Principal recommendation:

Recommendation 1: Taking account of the intersectoral nature of activities at Villa Ocampo and its founding statutes, Director Montevideo with support of BSP should initiate discussions with Director Havana, CLT, ED and the Government of the Argentine Republic to determine the future direction of the Villa and take steps to align its operational and governance structure accordingly. Possibilities should be explored to link the Villa's activities to one of UNESCO's flagship programmes.

Other recommendations:

Recommendation 2: Dir/Montevideo should seek guidance from ERC/CFS and LA to establish an accountability framework that determines roles and responsibilities for the Villa and its fund-raising partners.

Recommendation 3: Dir/Montevideo should seek guidance from BPI on implementing UNESCO's publication policy in relation to the Villa Ocampo's publication activities.

Recommendation 4: Dir/Montevideo should ensure works of art housed in Villa Ocampo are subject to periodic physical verification and presented to the Works of Art and Special Projects Unit for consideration for inclusion in the UNESCO Art Collection.

Recommendation 5: Dir/Montevideo should institute a process requiring approval of Villa expenses by the Executive Director prior to the AO/MTV certifying and processing payments.

Recommendation 6: Dir/Montevideo should build administrative capacity at Villa Ocampo under supervision of AO/Montevideo.

Recommendation 7: Dir/Montevideo should consult IIEP/Buenos Aires on its local contractual arrangements and seek guidance from HRM and LA for a contracting framework to facilitate engagement of personal services at Villa Ocampo using UNESCO's contracting modalities.

Recommendation 8: Dir/Montevideo should request a UNDSS security assessment of Villa Ocampo and, if needed, seek guidance from BFC to ensure MOSS compliance.

Recommendation 9: Dir/Montevideo should ensure that staff of Villa Ocampo comply with the requisite Administrative Manual items prior to undertaking missions.