



United Nations
Educational, Scientific and
Cultural Organization

Organisation
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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,
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منظمة الأمم المتحدة
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Internal Oversight Service Audit Section

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Audit of the UNESCO Amman Office

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Auditors:

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EXECUTIVE SUMMARY

Key Results of the Audit

The Amman Office has increased extrabudgetary funding considerably since the 2006-07 biennium, thus making the Office more relevant. A number of key control weaknesses have also recently been fixed but, to achieve an effective control environment, more needs to be done to (1) align job content and job descriptions with current needs, (2) recruit for two vacant professional posts, (3) strengthen accountability by establishing performance objectives and targets within the office, and (4) introduce a more active HR and change management process for staff to adjust to changing circumstances and new management.

As noted in audits of other Field Offices, clear priorities and performance expectations for the Head of Office also need to be established.

Background, Scope and Objective

1. The UNESCO Amman Office was established in 1987. It has changed over time from a Regional Office for Education to a Regional Office for Culture and Communication, and it is currently the National Office for Jordan.
2. As part of the Audit Plan for 2009, the Internal Oversight Service (IOS) audited the Amman Office in November 2009 to assess its programme management, internal controls, reporting and compliance with UNESCO rules and regulations. The previous IOS audit of the Office took place in 2004. The audit covered the period from January 2007 to October 2009 and was performed in accordance with the International Standards for the Professional Practice of Internal Auditing. The methodology included a risk-based review and testing of a judgmental sample of the Office's programme, financial and other records, interviews of selected staff and meetings with representatives of partner organizations. Audit results were presented to the Head of Office and staff at an exit meeting on 19 November 2009. Debriefing to relevant HQ services was held on 14 December 2009.
3. Total budget of the Office rose from US\$740,651 in 2006-07 to US\$1,674,251 in 2008-09.
4. The Office has 21 personnel that include the Head of Office, one international professional position in Education, one national professional officer in Communication & Information, eight national general service staff, six personnel on service contracts, three on SSA contracts and one individual seconded from the Jordanian Government. Additionally, a Programme Specialist in Culture attached to the Iraq office supports the Jordan Office for one third of her time. The international professional post for Education and the national professional post for Communication & Information were vacant at the time of the audit. The Head of Office took up her functions in March 2009.

Achievements

5. The audit concluded that the Office:
 - Increased its relevance by raising its extrabudgetary funding from a notably low US\$33,306 in 2006-07 to US\$868,651 in 2008-09.
 - Completed work plans as required by the sectors for the 34C5; prepared project documents/proposals for the extrabudgetary projects as per requirements; and reported on extrabudgetary projects as per the agreements.
 - Ensured that payment requests were completed for each payment with the approval of the programme officer and certified by the administrative assistant and the Head of Office. In this regard, the payments function was appropriately separated from the certifying and accounting functions.

- Prepared adequate terms of reference for contracts and ensured that payments generally corresponded to contractual terms.
- Made price comparisons to efficiently purchase airline tickets and ensured accurate Travel Orders justifying mission requirements.
- Controlled and monitored the use of office vehicles through well maintained log books.
- Maintained competitive procurement procedures used purchase orders for local procurement.
- Converted SSA contractors working for extended periods to SC contracts.

Challenges and Opportunities

6. To achieve an effective control environment, the following actions are needed:

- Establish a performance agreement for the Head of Office.
- Strengthen programme capacity of the Office by promptly recruiting for vacant posts in the Education and in the Communication & Information sectors.
- Align the job content (and job descriptions) with current office needs. The responsibilities of staff have changed over time and are not appropriately reflected in job descriptions.
- Strengthen accountability by establishing performance objectives, targets and subsequent appraisals of personnel.
- Implement HR and change management procedures in the Office to respond to changing circumstances and new management of the Office.
- Reorganise the Administrative Unit so that it responds to the requirements of efficiency and controls.
- Strengthen the evaluation and selection processes for contracting, and maintain a roster for consultants.
- Maintain a backup of the Office's IT data on a central server.
- Close the Bank accounts with the Arab Bank since the Standard Chartered Accounts have been operational since March 2009.

Table of Recommendations

Recommendation 1: We recommend that the Head of the Amman Office (i) in cooperation with the Education sector and the Communication & Information sector, promptly recruit for the two vacant professional posts and, in the interim, use cost savings from the posts to temporarily meet capacity needs, and (ii) introduce formal hand-over procedures when a post is to be vacated.

Recommendation 2: We recommend that the Head of the Office, in collaboration with the Education sector, the Culture sector and the Bureau of Field Coordination, transfer the two posts to the respective programme sectors.

Recommendation 3: We recommend that Head of the Amman Office, in collaboration with BFC, establish performance objectives for the Head of Office to be formalized in a performance agreement.

Recommendation 4: We recommend that Head of the Amman Office, in cooperation with the Bureau of Field Coordination and the Bureau of Human Resources Management, review the staffing structure of the Office to respond to the programme priorities and objectives, updating job descriptions where required.

Recommendation 5: We recommend that Head of the Amman Office ensures that: (i) expected results and final assessments are recorded in Perfoweb for all staff for the 2008-09 biennium, (ii) expected results are recorded timely for the 2010-11 biennium, and (iii) all personnel on SC and SSA contracts are formally assessed by their immediate supervisors upon completion of their current contracts.

Recommendation 6: We recommend that Head of the Amman Office develop and implement a communication, change management and conflict resolution strategy for the Office.

Recommendation 7: We recommend that Head of the Amman Office, in collaboration with the Bureau of Field Coordination, Bureau of the Comptroller and the Bureau of Human Resource Management, (i) reorganise the administrative unit of the Office with clear responsibilities and accountabilities for each position while maintaining an adequate segregation of duties and the certification role of the Administrative Assistant (in this regard a revision of job descriptions should be undertaken as per Recommendation 4), and (ii) provide training to staff involved in administrative functions on policies and procedures.

Recommendation 8: We recommend that Head of the Amman Office introduce a competitive and transparent selection process for new temporary staff in the Office.

Recommendation 9: We recommend that Head of Amman Office discontinue the use of the UNESCO accounts with the Arab Bank and transfer the balance of funds to the new accounts in the Standard Chartered Bank (taking into consideration uncashed cheques) and then request the Bureau of the Comptroller to close the accounts at the Arab Bank.

Recommendation 10: We recommend that Head of the Amman Office determine the continuing need for the personnel seconded from the Jordanian Government and, in cooperation with the Bureau of Human Resource Management, develop an agreement on their terms of reference, duration of secondment and compensation.

Recommendation 11: We recommend that the Amman Office institute procedures to ensure that (i) contractors employed by the Office with a good performance report to register on the central roster on the UNESCO website, (ii) proper selection of contractors is done as per the procurement rules applicable to them, (iii) before entering into an Activity Financing Contract, an evaluation of contractor capacity is performed, and (iv) both programme staff and administrative staff are trained on the contracting procedures as per the new contracting framework. The assistance of the Iraq Office in Amman could be sought for this.

Recommendation 12: We recommend that Head of Amman Office introduce procedures to ensure that (i) travel is planned through preparation of quarterly travel schedules, and missions undertaken that are not in the schedule are approved by the Head of Office, and (ii) supporting documentation including hotel bills, ticket stubs and mission reports are submitted in a timely manner.

Recommendation 13: We recommend that Head of the Amman Office, in collaboration with ERC/CFS and UNDP as the coordinating agency for the Joint Programme, ensures that the current project document is signed by the participating agencies and endorsed by the Government.

Recommendation 14: We recommend that the Amman Office ensures that, when the C5 activities are developed, only those activities are decentralised to Amman that can be reasonably implemented under the accountability and monitoring capacity of the Office.

Recommendation 15: We recommend that the Amman Office ensures that a list of non-expendable items is maintained that contains the date of purchase, cost, funding source and the fund reservation number. Additionally, an annual physical verification of inventory should be performed by an independent staff who signs off on the inventory list.

Recommendation 16: We recommend that Head of the Amman Office ensures that back up of all Office computers is performed on a regular basis and stored in a secure location.