



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、
科学及文化组织

**Internal Oversight Service
Audit Section**

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Participation Programme: Audit of Costs Incurred under Emergency Assistance to Palestine

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Summary Audit Report

Audit of Costs Incurred under Emergency Assistance to Palestine

Background, Scope and Objective

1. UNESCO provided \$200,000 to the Permanent Observer of Palestine to UNESCO for scholarships to Palestinian students. These funds were made available as Emergency Assistance under the Participation Programme in four grants as shown below:

0037582102PAL (Biennium 2006-07) for \$50 000
4682100001PAL (Biennium 2008-09) for \$50.000
4682100002PAL (Biennium 2008-09) for \$50.000
4682100003PAL (Biennium 2008-09) for \$50.000

2. The Internal Oversight Service audited costs incurred under this programme to determine whether they were supported by appropriate documentation, allocable to the grant and reasonable in nature. The audit was performed in June 2010 in accordance with the *International Standards for the Professional Practice of Internal Auditing* and included review of the financial reports and records submitted by the Permanent Observer of Palestine to UNESCO, discussions with Mission personnel, review and testing of bank statements and other relevant records as well as direct confirmation with selected recipients and academic institutions.

Conclusion

3. Expenditures under these four Emergency Assistance activities were supported, allocable and reasonable.

Internal Controls

4. UNESCO has not established clear standards of documentation required of recipients to support expenditures and liquidate advanced funding for scholarships under the Emergency Assistance component of the Participation Programme.

5. The Permanent Observer of Palestine maintained inconsistent records supporting disbursements of these scholarships. As a result, considerable effort was required to substantiate that funds were used for intended purposes. Lessons should be drawn from this, as recommended below, to prevent recurrence.

Recommendation	
We recommend that ERC include clear documentation requirements when undertaking Emergency Assistance scholarships. Such documentation should include a copy of official identification (e.g. passport or national identification card) of each participant together with evidence of academic enrolment and receipt of funds. The selection criteria and procedures for participants should also be recorded and maintained by the implementing organization.	Medium Risk