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Organización
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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**

IOS/AUD/2010/23

Original: English

**Control Assessment of the
UNESCO Culture Sector**

December 2010

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EXECUTIVE SUMMARY

Key results:

The overall control assessment, undertaken at the request of ADG/CLT showed no material internal control weakness. However, the control environment indicates a number of risk areas that need to be addressed. These are: a) competitive selection of contractors should be improved, b) travel cost can be substantially reduced by better planning, and c) recruitment procedures of staff should also be strengthened. Most of these risks stem from the Sector/Divisions' lack of planning which hampers effective management. The AO Office functions well and mitigates some of these risks. The report contains recommendations to improve controls in CLT, and IOS will monitor and support their implementation.

1. Background

CLT Sector has a regular programme activities budget of \$17.4 million, a staff cost budget of \$54 million (total RP budget of \$71.4 million) and extrabudgetary activities of \$71 million for 35C/5 (2010-11).

At the request of ADG/CLT, IOS undertook a control assessment on control and compliance of the CLT sector.

2. Scope, objective and methodology

The review covered the internal processes in the management of contracts, budget, human resources, travel, and programme implementation. Since procurement of goods at HQ is a centralized process managed by ADM/PRO, this review did not include procurement of goods.

The assessment was to determine whether CLT sector effectively:

- Manages contracts and staff travel in compliance with the Organization's policies,
- Monitors budgets and expenditure,
- Recruits staff and other temporary personnel on timely basis and in compliance with the Organization's policies and procedures,
- Monitors Programme implementation.

The review was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing*. The auditors examined the design and execution of the processes in place and tested a sample of transactions relating to each process for the period 2009 and 2010. We also interviewed relevant staff in the sector as well as in other central services (HRM, BFM and BSP). The purpose of the review was to identify risk areas in the Sector's management controls and not to provide reasonable assurance on the overall efficiency, effectiveness and compliance of the Sector.

3. Table of recommendations

Recommendation 1: Require all CLT divisions to prepare an annual/ semi -annual contracting plan, linked to the approved activity work plan so that action for competitive selection can be initiated well in advance of requirement.

Recommendation 2: BFM, in consultation with LA, to decide on appropriate modality for contracts under the international Conventions.

Recommendation 3: BFM to develop a cost effective solution to ensure printing and translation related liabilities are captured. BFM should also coordinate with DIT and HRM to create a translation contract template in SharePoint.

Recommendation 4: Instruct CLT staff to consult CLD in all printing and translation related contracts.

Recommendation 5: Ensure that all engagements with third parties are supported by a duly signed contract, by UNESCO and by the contractor, before commencement of the contract.

Recommendation 6: CLT/AO to disallow the \$8,000 cross charge to project 247RAF4000 and consult with ED Sector on liquidating the residual funds.

Recommendation 7: ADG/CLT to (a) require all programme specialists to follow the result based management guidance for development of the work plan that includes risk analysis and to incorporate the progress reports in SISTER, (b) ensure that complete mandatory programming and monitoring information in SISTER are entered for level 1, 3 and 5, and (c) ensure the validation of Activity 5422107001CPO in SISTER.

Recommendation 8: HRM to frame verification procedure for diploma checks of external candidates.

Recommendation 9: Establish an annual recruitment plan based on anticipated vacancies.

Recommendation 10: Require staff to complete travel request at least two weeks in advance so that tickets are procured at economical rates.