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

IOS/AUD2016/01
Original: English

Audit of the
Social and Human Sciences Sector

May 2016

Auditors:
Hir Purkait
Fares Emmanuel

EXECUTIVE SUMMARY

Key Results

This audit examined the activities of the Social and Human Sciences Sector to provide assurance that the Sector plans, implements and reports on its programmes and projects in accordance with UNESCO's policies, sectorial priorities, as well as the guidelines mandated by the governing bodies.

The financial and administrative controls in the Sector are generally in place and effective. However, the Sector faces challenges relating to setting well defined expected results and performance indicators, collecting baseline data, mainstreaming gender in programme planning and implementation, accountability for programme delivery, alignment of staff and activity budgets, and regular programme staff cost recovery for the management of extrabudgetary projects.

Some of the expected results and performance indicators are very broad and non-specific. The achievement of demonstrable results can be improved if the expected results and performance indicators and targets are made specific, measurable, achievable, relevant and time-bound. Programme delivery can be improved with the formation of accountable delivery teams within the Sector for the specific expected results. The Sector also needs to improve the baseline data as well as gender focus in planning its activities.

While the decentralization of activities to the field offices has improved in the current biennium, the corresponding proportion of staff has not been moved to the field resulting in a situation that two-thirds of staff budget is at HQ to support only one third of the activities of the Sector.

The rate of regular programme (RP) staff cost recovery is negligible and, at the current rate, the Sector fell considerably short of the target of two percent (of RP staff cost) cost recovery by 199th session, as set by the Executive Board.

The Sector met its extrabudgetary resource mobilization target for the last biennium. Its fundraising can be further improved by identifying successful strategies/projects, particularly in UNESCO's Brasilia office, and replicating them in other regions.

Specific issues relating to contract management, updating of job descriptions and sharing of passwords also need to be addressed.

Background

1.   The Social and Human Sciences Sector contributes to Major Programme III with the strategic objective of supporting inclusive social development, fostering intercultural dialogue for the rapprochement of cultures and promoting ethical principles in order to achieve its strategic objective, the Major Programme has the following three Main Lines of Action (MLAs);

(i)   Mobilising future oriented research, knowledge and policy making to support social transformation, social inclusion and intercultural dialogue,

(ii)   Empowering Member States to manage the ethical, legal, environmental and societal implication of scientific and technological challenges with a view to achieving inclusive and sustainable social development and,

(iii) Building policies through a participatory process with stakeholders in both the fields of youth and of sports; supporting youth development and civic engagement and promoting human rights based approach in UNESCO's programmes.

2. The Sector has a regular programme budget of US$ 5.7 million and a staff cost budget of US$ 18.1 million for 37 C/5[1]. In addition, the Sector implemented extrabudgetary projects during the biennium of approximately US$ 25.6 million[2].
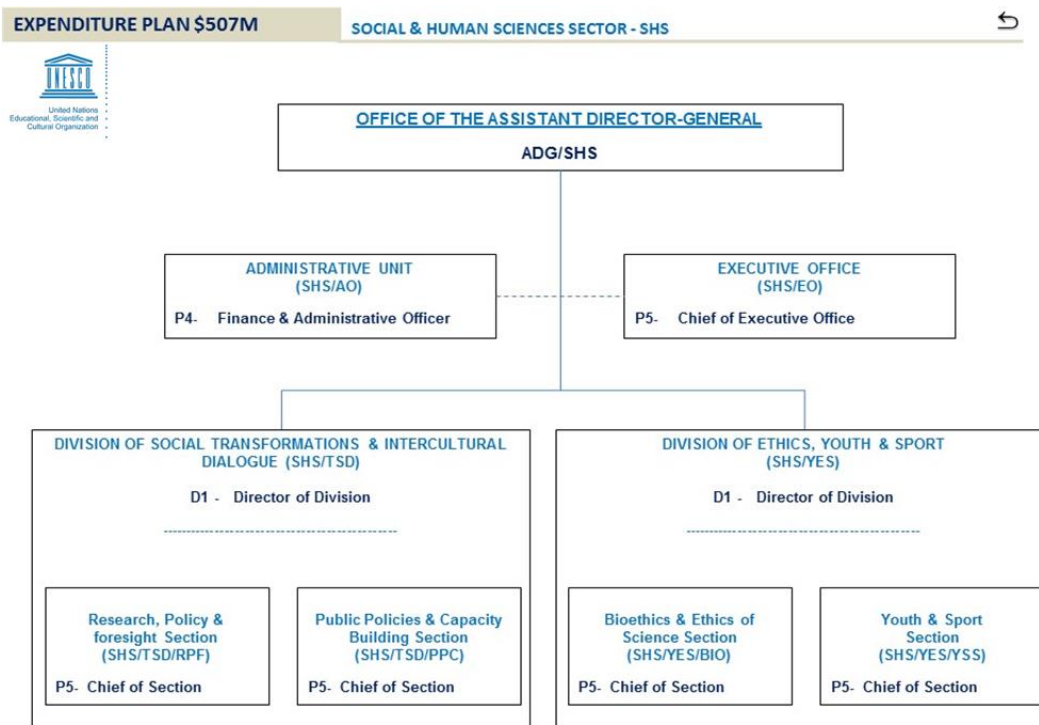
---

[1] 2014-2015 Expenditure plan ($507M)
[2] Business Intelligence (BI), excluding BRZ

2014-2015 Expenditure plan ($ 507M)
(per million)
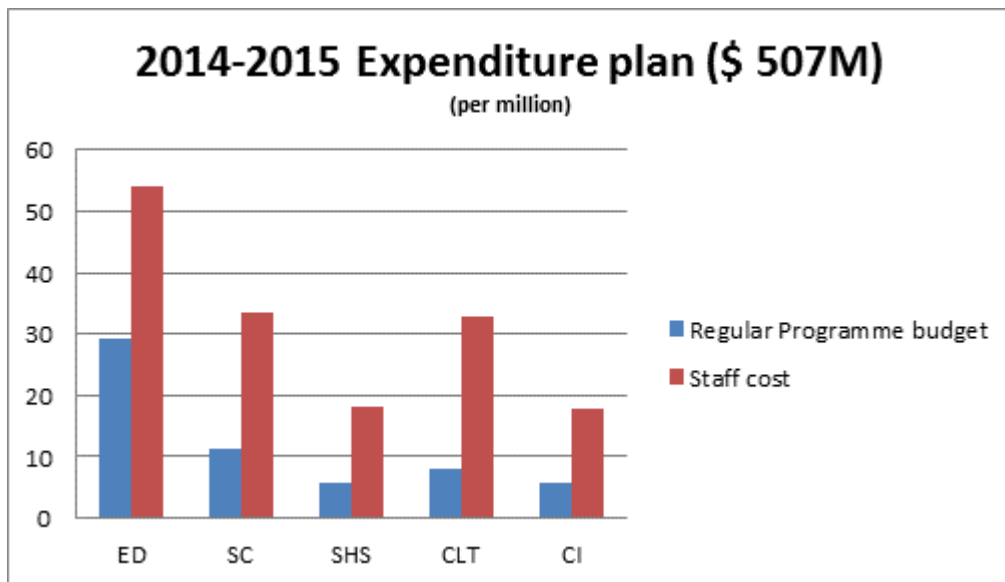
* Source: 37 C/5 Approved Programme and Budget.

3. The Social and Human Sciences Sector comprises 93[3] staff and other personnel worldwide. 60 staff members are based at the headquarters in Paris. The sector is composed of the Executive and Administrative Office and two programme divisions.

4.The Sector is under the authority of the Assistant Director-General (ADG) for Social and Human Sciences. The current incumbent was appointed on the 16th February 2015.

EXPENDITURE PLAN $507M   SOCIAL & HUMAN SCIENCES SECTOR - SHS

OFFICE OF THE ASSISTANT DIRECTOR-GENERAL
ADG/SHS

ADMINISTRATIVE UNIT
(SHS/AO)

P4-   Finance & Administrative Officer

EXECUTIVE OFFICE
(SHS/EO)

P5-   Chief of Executive Office

DIVISION OF SOCIAL TRANSFORMATIONS & INTERCULTURAL
DIALOGUE (SHS/TSD)

D1 -   Director of Division

DIVISION OF ETHICS, YOUTH & SPORT
(SHS/YES)

D1 -   Director of Division

Research, Policy &
foresight Section
(SHS/TSD/RPF)

P5- Chief of Section

Public Policies & Capacity
Building Section
(SHS/TSD/PPC)

P5- Chief of Section

Bioethics & Ethics of
Science Section
(SHS/YES/BIO)

P5- Chief of Section

Youth & Sport
Section
(SHS/YES/YSS)

P5- Chief of Section

31-10-2014

---

[3] STEPS data, September 2015

Scope, Objective and Methodology

5. The audit examined the life cycle of the Sector's programmes and projects, from the planning phase, through the monitoring and reporting phases, so as to provide assurance that the Sector plans, monitors and reports on its programmes and projects in accordance with UNESCO's guidelines and policies, sectorial priorities, as well as the guidelines mandated by the various related governing bodies. More specifically, the audit sought to ascertain whether:

- programme priorities for the Sector as decided by the Executive Board were accurately translated into 37 C/5 budgets;
- extrabudgetary resources are efficiently and effectively mobilised;
- detailed activity plans are drawn up in accordance with the priorities set by the various inter-governmental bodies;
- implementation of activities are effectively monitored and the results are accurately reported in SISTER;
- programme activities are effectively evaluated and lessons learned are applied
- human resources are effectively managed to optimise the programme delivery.
- expenditure is incurred in compliance with the Organization's policies;
- the sector effectively manages / mitigates against fraud risks

6. The auditors examined the design and execution of the processes in place and tested a sample of transactions relating to each process for the biennium 2014-15.

7. The audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing* and covered activities undertaken during the biennium 2014-15. Methodology was based on a risk assessment conducted during the planning phase of the audit and substantive testing of a sample of projects and programme activities, contracts, travel and financial transactions. In doing this, the auditors examined relevant programme and transactional documentation and interviewed personnel of the Sector.

Achievements

8.   Budgetary allocation for expected results during 37 C/5 and 38 C/5 was in line with the priority set by the Executive Board.

9. The ratio of activity budget to the staff budget during 37 C/5 was within the limit (minimum 20 per cent for the operation budget) prescribed by the Governing Bodies.

10. The overall Resource mobilization target for the Sector was met for 37 C/5.

11. Resource mobilization responsibilities are included in the job description and biennial performance assessment of programme staff (P-3 and above). This is an important step towards setting accountable resource mobilization targets.

12. Activities with detailed workplans are entered in SISTER and implementation reports (six monthly updates) are updated in SISTER and consolidated in the EX4 report.

13. Overall implementation of Regular Programme activities during 37 C/5 was in line with the target.

14. Correct types of contracts used when procuring goods and services and engaging external specialists.

Challenges and Opportunities

15. The programme structure at the expected results level is not always aligned with the organizational structure (programme section). A better alignment of programme structure with the organization structure and creation of delivery teams for each ER would reduce coordination delays and sharply define accountabilities for achieving results.

16. Some of the expected results are very broad and non-specific. The result impact can be improved if the expected results and Performance indicators and targets are made Specific, Measurable, Achievable, Relevant and Time-bound « SMART », as observed by the Executive Board.

17. Only in a small percentage of activities outputs could be directly linked to the outputs at the higher level (regional/thematic level and ER level). A better linkage between the output at the activity level with the ER level would increase the transparency of the result chain and can improve the achievement of results.

18. Baseline data was missing in a large number of performance indicators attached to the expected results. The availability of appropriate baseline data is critical for performance evaluation as it is impossible to measure changes without reliable data on the situation before the intervention began.

19. A significant proportion of activities do not contribute to the gender equality. Further, the gender dimension was generally not considered while defining the targets or key deliverables under the activities.

20. While the decentralization of activity budget to the field offices improved in 38 C/5 compared to 37 C/5, the staff budgets are not aligned with the activity budgets as two third of staff budget is at HQ, which supports only one third of the activities of the Sector.

21. The UNESCO Brasilia Office has been quite successful in raising and implementing extrabudgetary projects. Identifying successful strategies/projects and replicating them in other regions, as appropriate, could improve the extrabudgetary fund mobilization for the entire Sector.

22. The recovery of RP staff costs from the extrabudgetary projects has not been undertaken in 2015 and there is a clear risk that the new target set by the Executive Board (two percent of regular programme staff cost by the 199th session of the Board) will be missed.

23. Planning and Implementation of extrabudgetary projects can be through inclusion of sustainability/exit strategy, proactive monitoring and independent evaluations, where applicable.

24. Job descriptions for programme specialists/assistants have not been updated for a significant proportion of staff.

25. While the policy on contracting was generally adhered to, there was extensive use of amendments in the Individual Consultant contract award process, which circumvented the requirement for request of proposals from potential candidates. In several cases, the required policy for competitive selection was not followed.

26. Some improvements in financial and administrative controls are required (e.g. immediately stopping the practice of sharing of passwords, improved filing system).

Assessment of Controls

27. As part of the audit, IOS validated the most recent self-assessments of internal controls (SIC) performed by the Sector and certified by the ADG. The purpose of this validation is to reinforce the self-assessment methodologies and resultant assurance as this process continues to evolve. We concluded that the self-assessment accurately presented the status of the Sector's controls in two of the five functional areas reviewed in this audit. Implementation of the recommendations contained in this report will improve controls where needed.

Functional Area	Self-Assessment (2014)	Self-Assessment (2015)	IOS assessment
Programme Management	Globally Under Control	Globally Under Control	Needs improvement *(Recommendations 1, 2, 3, 4, 5,7,8,9)*
Financial Control	Globally Under Control	Globally Under Control	Globally Under Control *(Recommendation 12,14)*
Supply of Goods, Works & Services	Globally Under Control	Globally Under Control	Needs improvement *(Recommendations 10)*
Human Resources Management	Globally Under Control	Globally Under Control	Needs improvement *(Recommendations 6, 11,13)*
Travel Management	Globally Under Control	Globally Under Control	Globally Under Control *(Recommendations 15)*

Table of recommendations

Recommendation 1: SHS to reconfigure its current organizational structure with a view to establish accountable managers and defined delivery teams for each expected result, in order to improve effectiveness of the result management process.

Recommendation 2: SHS to revise the expected results, performance indicators and targets to make them Specific, Measurable, Achievable, Relevant and Time-bound, as recommended by the Executive Board. For the current biennium, at least the performance indicators and targets can be revised, if it is not possible to revise the expected results.

Recommendation 3: SHS to better define the key deliverables under each activity where needed so that their contribution to the respective expected result is clear.

Recommendation 4: SHS to require the programme specialists responsible for the expected results to include baseline data for performance indicators attached to each expected result.

Recommendation 5: SHS to review the gender markers and key deliverables of the activities to ensure that gender is mainstreamed while planning activities and gender contributions are clearly reflected, as appropriate, in the results chain.

Recommendation 6: SHS to establish a target to be achieved by the 39 C/5 to realign its staffing in HQ and in field in order to more rationally balance staff capacity to the activity budgets for efficient programme delivery.

Recommendation 7: SHS working group on extrabudgtary projects to evaluate the fund raising approach of the UNESCO Brasilia office for SHS to identify successful strategies/projects and replicate them in different regions, as appropriate.

Recommendation 8: SHS to prepare a checklist of items that should be included while preparing project outline/document of extrabudgetary projects. Such a check list should include budget provision for evaluation in line with the new 2015 evaluation policy, sustainability/exit strategy as well as other items such as provision for full cost recovery. The Sector AO while certifying the project budget and the EO while validating the outline/document should ensure that all items of the check list are included.

Recommendation 9: SHS to strengthen accountability of programme officers for timely and meaningful progress and results reporting. These progress updates and results should be reported against the key deliverables or performance indicators and targets and, in cases of shortfall in the achievement of results, the reasons thereof should be recorded.

Recommendation 10: AO/SHS to organize a training session for all programme managers to re-emphasize the policies relating to the selection of contractors.

Recommendation 11: HRM to revise and clarify procedures relating to Individual Consultant contracts in order to prevent misuse of contract amendments.

Recommendation 12: AO/SHS, in collaboration with BFM, to organize a workshop for the programme managers to explain the principles of the cost recovery policy and resolve issues or bottlenecks relating to the application of the policy.

Recommendation 13: SHS, in consultation with HRM, to establish time bound plan to revise the job descriptions of the Sector staff where needed to align with the current priorities of the Sector.

Recommendation 14: AO/SHS immediately to reiterate to all its staff the mandatory requirement to respect IT Security Policy and Guidelines, in particular those relating to Access Codes and Password Policy, noting that future instances may lead to disciplinary measures against the involved personnel as provided in the policy. Staff involved in password sharing should immediately change their FABS log on credentials.

Recommendation 15: AO/SHS to remind all staff that mission travel should be planned in advance to ensure that the tickets for the mission travel are purchased at least 14 days prior to the commencement of the mission and the mission reports are submitted within two weeks of the completion of the mission. Further, the AO should ensure that the travelers have valid security training certificates before a mission is certified. The AO should raise future instances of non-compliance to the respective supervisor.