



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/AUD/2015/11

Original: English

## Remote Audit of the UNESCO Office in Harare

*December 2015*

### **Auditors:**

Hir Purkait

Fares Emmanuel

# EXECUTIVE SUMMARY

## Key Results

IOS conducted a remote audit of the financial and administrative processes of the Harare Office. While the audit concluded that controls are generally functioning well, improvements are needed in tax recovery, contracting and travel management. At the time of the audit, the Office had already identified some of these areas for improvement and was initiating corrective measures.

Value Added Tax (VAT) paid by the Office had not been recovered in the previous years. Accordingly, clear accountabilities need to be established to ensure recovery of past and future VAT as allowable under the host country agreement.

The selection of contractors by the Office did not consistently conform to UNESCO policy, and there is a need for better management and awareness of the relevant policies. The Office also needs to better manage roles and procedures when certifying financial transactions and ensure that travel entitlements are properly calculated.

## Background

1. The UNESCO Office in Harare was initially established in 1982 as a sub-regional office for education in Southern Africa. Since then, it has also played the role of cluster office serving Botswana, Malawi, Zambia and Zimbabwe. In 2014 it became the UNESCO Regional Office for Southern Africa, covering all of UNESCO's programme sectors in nine countries, namely Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe, with national offices in Mozambique and Namibia.
2. The Office is headed by a Director (D-1) since 1st January 2015. Its personnel comprise seven programme specialists (two P-5, two P-4 and three P-3) and two national professional officers (NOA and NOC). The administration is headed by a finance and administrative officer (P-2). The Office also employs Service Contractors and Project Appointments as needed to support implementation of projects in all countries in the region.
3. The 2014-2015 budget allotments for the Office totaled US \$2.5 million for the Regular Programme (including the office running costs of US \$495,000) and US \$5.6 million of extrabudgetary funding.<sup>1</sup>

## Scope, Objective and Methodology

4. IOS conducted a remote audit of the UNESCO Harare Office. The audit assessed the functioning of the Office, including its internal controls and compliance with UNESCO rules and procedures, in Contracting & Procurement, Financial Management, Human Resource Management and Travel.
5. The remote audit is a limited-scope examination of financial and administrative actions, documents and records away from the place of action. The audit was performed in accordance with *the International Standards for the Professional Practice of Internal Auditing* and covered activities undertaken from January 2014 to May 2015. The methodology entailed substantive testing of a sample of contracts, travel and financial transactions. In doing so, the auditors examined relevant transactional documentation and interviewed personnel.
6. The audit included examination of a sample of 22 contracts / purchase orders for review, totalling US \$ 857,600 and representing 39 per cent by value of all contracts issued during the audit period. The sample included eight contracts for services / purchase orders, eight Individual Consultant contracts, four Implementation Partnership Agreements, one lease agreement and one Financing Activity Contract. The audit also reviewed a sample of 18 mission travels with an

---

<sup>1</sup> Data extracted from SISTER and FABS

expenditure of \$ 58,620. This represented 73 percent by value of all mission travels during the audit period.

**Assessment of Controls**

7. As part of the audit, IOS validated the most recent self-assessments of internal controls completed by the Office. 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 Office’s controls in only one of the four functional areas reviewed in this audit. Implementation of the recommendations contained in this report will improve controls where needed.

Functional Area	2014 Self-Assessment	IOS assessment
Financial Control	Globally Under Control	Needs Improvement (Recommendations 1 & 2)
Supply of Goods, Works & Services	Globally Under Control	Needs Improvement (Recommendations 3)
Human Resource Management	Globally Under Control	Globally Under Control (Recommendations 4)
Travel Management	Globally Under Control	Needs Improvement (Recommendations 5)

**Table of recommendations**

<p><b>Recommendation 1:</b> The Office to reiterate to all personnel the mandatory requirement to respect UNESCO’s IT Security Policy and Guidelines, in particular those relating to Access Codes and Password Policy, noting that future instances may lead to disciplinary measures as provided in the policy. Passwords should be re-set for any personnel having engaged in sharing.</p> <p><b>Recommendation 2:</b> The Office to introduce procedures and clearly assign accountability for the timely recovery of Value Added Taxes and give priority to recovering all unclaimed amounts for the past three years.</p> <p><b>Recommendation 3:</b> The Office to (a) in consultation with the BFM, organise training to be presented by the Administrative Officer on the UNESCO policy for selection of contractors for all personnel involved in the contracting process and (b) ensure that relevant policy for selection of contractors is followed before certifying the contracts.</p> <p><b>Recommendation 4:</b> The Director of the Office, in consultation with HRM, to review and revise the job descriptions of staff where needed to align with current roles and priorities of the Office.</p> <p><b>Recommendation 5:</b> The Office to (a) establish a check list for travel to ensure that travel orders are complete, in compliance with the policy and issued timely and that travel records are accurately processed and (b) recover the overpayment of US \$2,115 from the travellers concerned, as indicated in the Annex III.</p>
---