



United Nations  
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Organisation  
des Nations Unies  
pour l'éducation,  
la science et la culture

Organización  
de las Naciones Unidas  
para la Educación,  
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Организация  
Объединенных Наций по  
вопросам образования,  
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منظمة الأمم المتحدة  
للتربية والعلم والثقافة

联合国教育、  
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**Internal Oversight Service  
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**IOS/AUD/2016/03**

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**Audit of the Mahatma Gandhi Institute of  
Education for Peace and Sustainable Development**

*June 2016*

***Auditors:***

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## EXECUTIVE SUMMARY

### Key Results

Since its inception in 2012, the Mahatma Gandhi Institute of Education for Peace and Sustainable Development (MGIEP) has established structures, engaged personnel and initiated programmes to operationalize its mandate and contribute to UNESCO's results. With this establishment phase well underway, the Institute now needs to focus on expanding its programme in line with its mandate and with UNESCO's results framework.

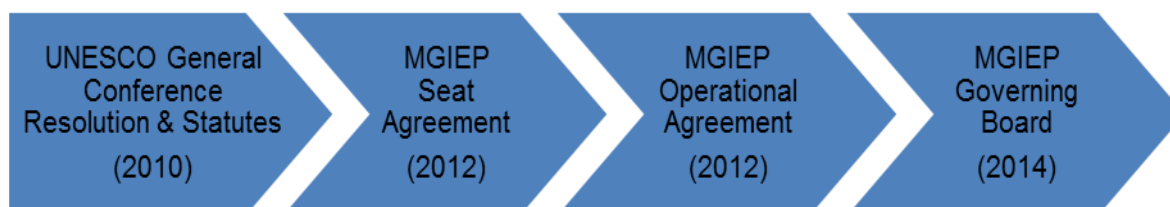
MGIEP is supported by the Government of India through a five-year agreement, signed in July 2012, committing US \$11.8 million for the Institute's programme and administration and US \$28.8 million for its permanent premises. The time taken to establish the Institute and begin programme implementation has resulted in substantial unused funds under the agreement. Of the five-year US \$11.8 million commitment for programmatic and administrative expenses, less than US \$2 million was spent as of the end of 2015. With this agreement coming to an end in July 2017, there is an opportunity for significant acceleration of programme implementation. Further, to avoid over-dependence on contribution from the host government, resource mobilization efforts should also be strengthened so that diverse funding sources are identified for supporting the Institute's growth in the coming years.

The audit also noted several opportunities to improve efficiencies as well as programmatic and administrative controls in the Institute.

### Background

1. UNESCO's 35<sup>th</sup> General Conference<sup>1</sup> established the Mahatma Gandhi Institute of Education for Peace and Sustainable Development (MGIEP) as a UNESCO Category I Education Institute. A Seat Agreement and Operational Agreement between UNESCO and the Government of India (GOI) set forth the Institute's legal personality and the host country's commitments (see Figure 1).

**Figure 1 – MGIEP's establishment milestones**



2. A Governing Board<sup>2</sup> oversees the Institute and comprises 12 members chosen based on competency, with consideration of gender and geographical factors, who serve in their personal capacity for a four-year term.

- UNESCO's Director-General designates ten members, seven of which come from the Asia and the Pacific Region's Member States, two belong to professional international organizations engaged in education for peace and sustainable development, and one member is appointed upon the recommendation of the GOI;
- Ex-officio members of the Board are the Secretary of the GOI in the Ministry of Human Resource Development and the Vice-Chancellor of National University of Educational Planning and Administration (NUEPA).

3. MGIEP's key objectives<sup>3</sup> are to advocate, support and promote education for peace and sustainable development by:

<sup>1</sup> 35 C/Resolution 16

<sup>2</sup> The members are appointed as per the Statutes adopted by UNESCO's General Conference and as revised in 2013 by Resolution 14 of the 37<sup>th</sup> General Conference; see Document 37C/52 for exact amendments following the IOS 2012 Evaluation of Education Category I Institutes.

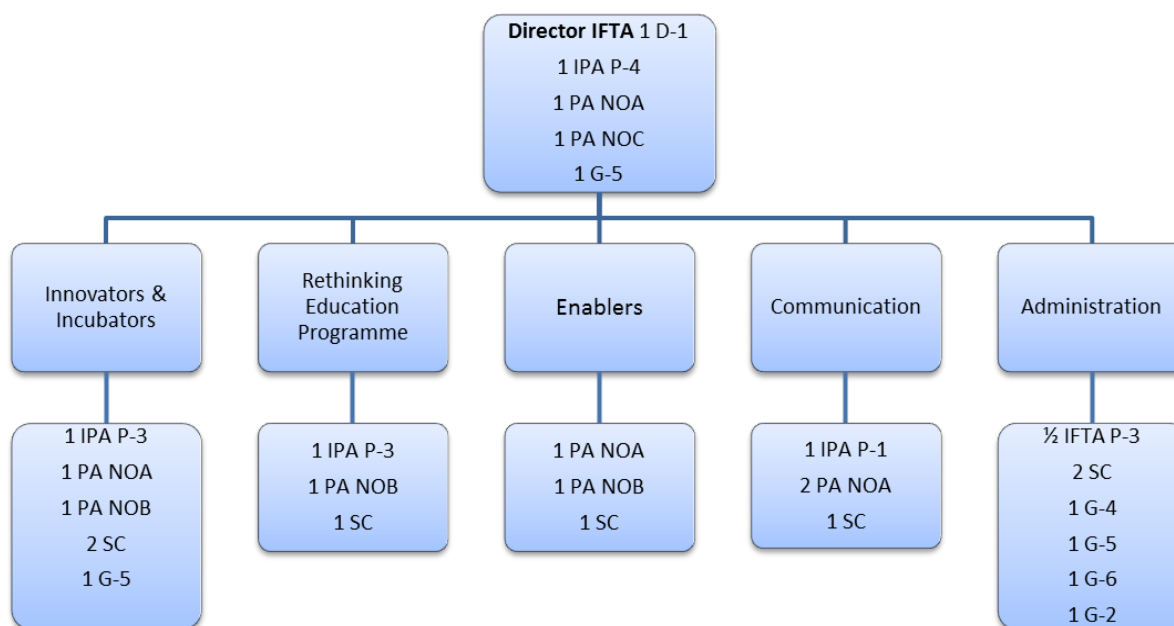
- Acting as a clearing house for analyzing and disseminating relevant research, case studies and good practice;
- Facilitating relevant networks, partnership building and connecting knowledge communities;
- Providing technical advice and supporting capacity-building needs of Member States within the Asia and Pacific Region.

4. MGIEP is to contribute to the following Expected Results in UNESCO's programme<sup>4</sup> for 2016-2017:

- Member States integrate peace and human rights education components in education policies and practices (MLA 2 – Expected Result 8);
- Capacities of Member States strengthened to integrate education for sustainable development (ESD) into education and learning, and ESD strengthened in the international policy agenda (MLA 2 – Expected Result 9);
- Coordination and monitoring mechanisms established and evidence from research generated in support of sustained political commitment for the Education 2030 agenda (MLA 3 – Expected Result 11).

5. The Director (D-1) of the Institute is a UNESCO staff member appointed by the Director-General in June 2014 for a term of office not to exceed six years. Prior to this appointment, an interim director presided over the Institute from October 2012. The Institute staff comprises 28 personnel engaged through various contractual arrangements including international fixed-term appointments, international project appointments, national project appointments and service contractors (see Figure 2).

**Figure 2 – MGIEP Organizational Chart**



**Legend**

- IFTA – International Fixed Term Appointment
- IPA – International Project Appointment
- NO – National Officer
- SC – Service Contractor
- G – General Service

<sup>3</sup> Source: 37C/52 - Annex – page 21

<sup>4</sup> Expected results in the 38 C/5.

6. The GOI is currently MGIEP's main funder. In accordance with the Operational Agreement Article 3.1, the GOI has committed to provide US \$40.6 million over a five-year period from 2012 to 2017. Of this amount, US \$11.8 million is allocated to the Institute's programme and administrative expenses and US \$28.8 million is for the Institute's premises. MGIEP's biennial budget for 2014 – 2015 is shown in Table 1.

**Table 1- MGIEP 2014 - 2015 Biennial Budget**

Category	Biennial Allocation (US \$)
Administration	757,000
Directorate	385,000
Personnel	1,462,000
Programme	1,112,000
Security	135,000
<b>Total</b>	<b>3,851,000</b>

Source FABS YFM1 5 January 2016.

### Scope, Objective and Methodology

7. The audit objective was to assess the functioning of the Institute including its financial and administrative controls, programme management, reporting and compliance with UNESCO rules and procedures. The overall scope of the exercise covered:

- Programme & Project Management
- Contracting & Procurement
- Financial Management
- Human Resources Management
- Communications
- Travel

8. The audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing* and covered activities and transactions undertaken from January 2014 to October 2015. Methodology was based on a risk assessment performed 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 records and interviewed personnel, both in Headquarters and at the Institute.

9. Further, noting that the Institute is in its initial phase of operations, the auditors also examined the inherent risks in UNESCO's framework for Category 1 institutes as identified in the operations of other institutes, noting that the establishment of effective practices is particularly important from the outset of the Institute's operations.

### Assessment of Controls

10. As part of the audit, IOS validated the most recent self-assessment of internal controls performed by the Institute in January 2016. 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 Institute's controls in three of the six functional areas reviewed in this audit. Implementation of the recommendations contained in this report will improve controls where needed (see Table 2).

**Table 2 - Validation of self-assessment of internal controls**

Functional Area	Self-Assessment (2015)	Self-Assessment (2016)	IOS assessment
<b>Institute Objectives</b>	Globally Under Control	Needs Improvement	Needs Improvement (Recommendations 2, 3, 4, 7, 10)
<b>Programme Management</b>	Globally Under Control	Globally Under Control	Needs Improvement (Recommendations 1, 5,6)
<b>Financial Control</b>	Needs Improvement	Globally Under Control	Needs Improvement (Recommendations 1, 8)
<b>Supply of Goods, Works and Services</b>	Globally Under Control	Globally Under Control	Needs Improvement (Recommendation 9)
<b>Human Resources Management</b>	Globally Under Control	Globally Under Control	Globally Under Control
<b>Travel Management</b>	Globally Under Control	Globally Under Control	Globally Under Control

### **Achievements**

11. Since its inception in 2012, the Institute has established structures, engaged personnel and initiated programmes to operationalize its mandate. This has been supported by the Government of India through a five-year agreement signed in July 2012 committing US \$11.8 million for the Institute's programme and administration and US \$28.8 million for its permanent premises. The Institute currently engages 15 professional staff and 13 administrative personnel. The Director of the Institute performance objectives are agreed and entered in UNESCO's performance management tool. ADG/ED is to assess the Director's performance in 2016. One Administrative Officer supports both MGIEP and UNESCO's New Delhi Office with a functional reporting line to the Chief Financial Officer.

12. MGIEP took prompt action to address some of the challenges identified by IOS during the course of the audit. For example, the Institute's data in SISTER only reflected the Director's Salary (US \$249,000) funded by UNESCO. The GOI funding was previously not reflected as part of its programme resulting in an under-reporting of programmatic activity. The GOI funding for the 38 C/5 is now reflected in 2016 - 2017 SISTER plan of activities.

13. MGIEP has a strong communication capacity that targets its audience (aged between 18 and 35) through an active social media presence and a semi-annual online magazine. Further, MGIEP uses analytics to measure the effectiveness of its communications.

### **Challenges and Opportunities**

14. Good progress has been made in setting up the Institute, but the time taken for establishment and to begin programme implementation has resulted in substantial unused funds available under the agreement with the host government. Of the US \$11.8 million committed in 2012 for the Institute's programme and administration, less than US \$2 million was spent as of the end of 2015. Management explained that a number of factors contributed to the delayed program implementation including the time taken for an approved program of work, appointment of the permanent Director and assembling a critical mass of professional staff to implement the program. With this initial agreement coming to an end in July 2017, the opportunity for a significant acceleration of programme implementation requires action.

15. At the same time, action should be taken to avoid over-dependence on contribution from the host government. Resource mobilization efforts should be strengthened so that diverse funding sources are identified for the Institute's growth in the coming years. A resource mobilization plan was submitted to the MGIEP Governing Board in 2015 to help sustain future

activities. This plan needs to be more fully elaborated by identifying (i) potential donors, (ii) programmes to be funded and (iii) resource mobilization targets.

16. UNESCO's Category 1 institutes have been subject of several audits and evaluations contributing to an ongoing effort to better harmonize governance and operations. As part of this, specific regulations and the application of 'functional autonomy' are currently under review. MGIEP will be affected by the outcome of this exercise. Pending completion, it will be important that MGIEP liaise closely with the Education Sector and Central Services on boundaries to its autonomy, particularly with regard to non-traditional programme activities. When the exercise is completed, it will be important for the Director to work closely with the Institute's Governing Body to ensure a clear understanding and consistent application of its autonomy.

17. One Administrative Officer oversees the administrative functions of both MGIEP and UNESCO's New Delhi Office. There are many advantages to this arrangement, such as efficiencies and improved alignment of the Institute's administrative processes to UNESCO's standard processes. However, given the geographical separation and significant workload at each location, administrative capacity needs to be appropriately allocated, including cross-training of personnel, to meet the needs of both entities.

18. In the Operational Agreement for MGIEP, the GOI undertakes to provide MGIEP with initial office space until new premises are constructed and has earmarked US \$28.8 million for the Institute's premises. Discussion between the Institute's Director and the Governing Body led to a decision that two options be explored. The first option is to renovate and expand the current premises provided by the GOI, and the second is to construct new premises on land made available by the GOI. Either option will involve a significant construction or renovation project requiring expertise and investment of time. As such projects are not within the expected competencies of the Institute's staff, careful consideration and consultation with MSS/B should be a part of UNESCO's decision-making in this regard.

#### **Table of recommendations**

**Recommendation 1:** MGIEP, in consultation with the Education Sector, to develop a programme delivery plan and budget, to be included in SISTER for monitoring and reporting purposes, for the programmatic and administrative funding committed by the Government of India.

**Recommendation 2:** Education Sector, in consultation with MGIEP and relevant services, to engage in timely negotiation with the Government of India in view of the July 2017 end date of the current operational and funding agreement in order to (i) ensure that the committed host-government funding is not lost and (ii) realign donor expectations with regard to the updated programme delivery plan and budget.

**Recommendation 3:** MGIEP to consult with MSS/B to assess the options and in developing the project plan for constructing, renovating or acquiring office premises. The plan should include a project steering mechanism involving appropriate expertise and periodic reporting to both the Institute's Governing Body and to appropriate Headquarters services. Negotiations with the Government of India should include the option of receiving the premises as an in-kind contribution without UNESCO supervision or management of the works to be undertaken.

**Recommendation 4:** MGIEP in collaboration with ADG/ED to:(i) finalize discussions and propose amendments relating to governance, financial regulation and operational guidance (in line with 197 EX/27), (ii) inform MGIEP Governing Board of amendments and present for eventual adoption, and (iii) establish a central repository of all changes to MGIEP Statutes and Financial Regulations that is available to concerned stakeholders.

**Recommendation 5:** MGIEP to identify programmatic actions that fall outside UNESCO's current administrative and programmatic guidance, such as gaming for education, and establish procedures to endure that the associated risks are appropriately managed.

**Recommendation 6:** MGIEP, in collaboration with BSP, to establish a resource mobilization plan with guidelines for identifying and engaging potential donors, specificity on programmes to be funded and assignment of staff responsibilities including targets and milestones.

**Recommendation 7:** MGIEP, drawing on UNESCO's Risk Management Handbook, to conduct a risk assessment exercise with staff and maintain a risk register identifying risk owners and mitigation plans where warranted. This should include specific risks and opportunities noted in this report.

**Recommendation 8:** CFO, in collaboration with MGIEP and the New Delhi Office, to reconfigure the administrative capacity of the New Delhi administrative services along the following lines to better meet workload demands: (i) AO to focus on managerial aspects, financial statements and overall design and operation of control frameworks; (ii) AO assistants to be granted higher certification authority and maintain control at the transactional level; and (iii) AO to train programme staff and assistants on their corresponding responsibilities in contracting, procurement and travel.

**Recommendation 9:** MGIEP to improve contracting practices and value for money by establishing: (i) an annual procurement plan for goods and services; (ii) together with UNESCO's New Delhi Office, joint contracting and long-term agreements where appropriate; and (iii) a roster of well qualified consultants for potential future engagement.

**Recommendation 10:** MGIEP to establish procedures for filing paper and electronic records in order to preserve institutional memory and facilitate prompt and reliable retrieval.