



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
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Internal Oversight Service Audit Section

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Audit of the UNESCO Cluster Office in New Delhi

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Auditors:

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EXECUTIVE SUMMARY

Key Results of the Audit

UNESCO's New Delhi Office is designated as the Cluster Office for six countries in South Asia. Notwithstanding limited regular programme resources, the Office promotes UNESCO's objectives in all five major programme areas.

As is the case with most UNESCO's Cluster Offices, the Office's interventions can be improved with clearer roles, responsibilities and performance metrics to measure success. The Office should elaborate a resource mobilization plan that is based on a sound analysis of cluster country needs and opportunities. In absence of UNESCO Country Programming Documents for India, Bhutan and the Maldives, the Office is challenged in identifying opportunities for programme elaboration and potential funding partners.

The Office's administrative and financial controls are generally satisfactory. Nevertheless, improvements should be made in planning of travel and procurement and contractor evaluations.

The recommendations in this report are intended to improve programme delivery and strengthen an already sound internal control environment.

Background

1. UNESCO established the New Delhi Office in 1948, as the first decentralized Office in Asia. The Office is designated as the Cluster Office for six countries. The Director of Office assumes representative and programmatic responsibility in four of these, namely India, Sri Lanka, Bhutan and the Maldives. Heads of National Offices in Bangladesh and Nepal assume representative and programmatic responsibilities in those countries.

2. The Office's 2014 - 2015 Regular Programme and Extrabudgetary budgets are shown in Table 1 below:

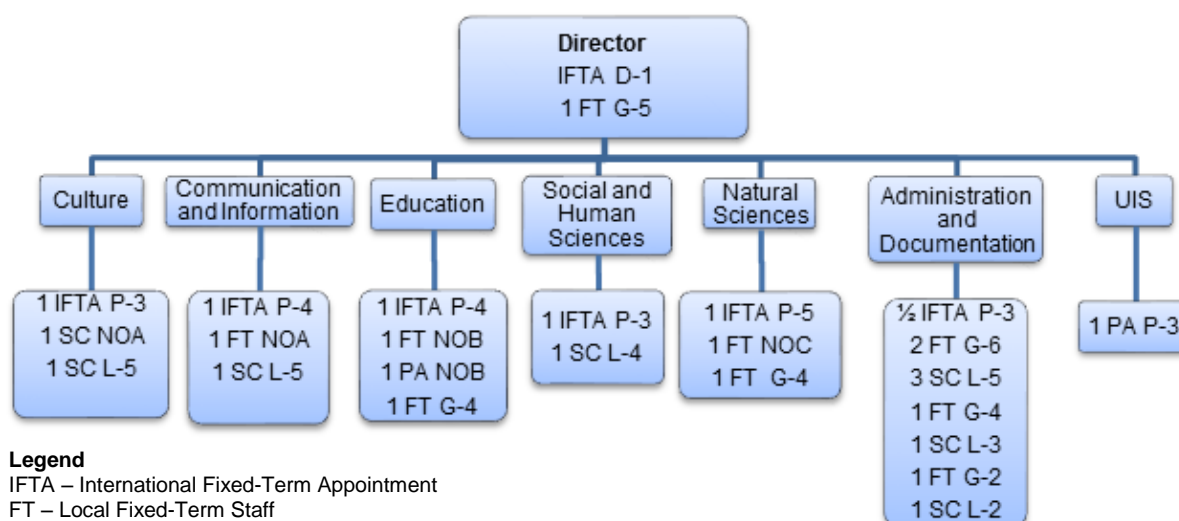
Table 1 – New Delhi Office Budget 2014 – 2015 (in US \$)

Sector	RP budget 2014 - 2015 (A)	EXB budget 2014 - 2015 (B)	Total Programme (A + B)	Total Staff budget (C)	Total Programme and Staff budget (A + B + C)
ED	139,472	87,500	226,972	625,000	851,972
CLT	123,546	887,299	1,010,845	436,000	1,446,845
SC	387,509	37,897	425,406	559,000	984,406
SHS	38,351	57,592	95,942	348,000	443,942
CI	148,296	5,500	153,796	493,000	646,796
UIS	28,000	87,500	115,500	314,000	429,500
Total Programme	865,174	1,163,288	2,028,461	2,775,000	4,803,461
Administration	862,463	0	862,463	1,026,000	1,888,463
Grand Total	1,727,637	1,163,287	2,890,925	3,801,000	6,691,925

Source: FABS YFM1 & YPS8

3. The Office staff comprises 28 personnel under different contractual arrangements that include international fixed-term appointments, local fixed-term appointments, project appointments and service contractors (see Figure 1). At the time of the audit, the Office also engaged six interns.

Figure 1 – New Delhi Office Organization Chart



Legend

IFTA – International Fixed-Term Appointment
 FT – Local Fixed-Term Staff
 PA – Project Appointment
 SC – Service Contract Holder

Scope, Objective and Methodology

4. The audit assessed the functioning of the Office including its financial and administrative controls, programme management, reporting and compliance with UNESCO rules and procedures.

5. IOS planned this engagement considering the coverage and results of the 2013 External Audit of the New Delhi Office¹. The External Auditor (EA) raised fifteen recommendations to address weaknesses in the following areas: (i) Scope of the Office action, (ii) Management of the Office, (iii) Office resources, (iv) Budget and staffing, (v) Management of Service Contracts, (vi) Procurement Management, (vii) Asset management, (viii) Travel Management, and (ix) Management of activities/projects. At the time of the IOS audit, five of 15 recommendations were not implemented. To prevent duplication, IOS focused its work on other areas such as the Office cluster role, risk management and resource mobilization. Further, IOS included areas with recurring risks identified in other field audits.

6. The audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing*. The methodology was based on a risk assessment conducted during the planning phase of the audit and substantive sample testing of projects and programme activities, contracts and travel for the period January 2014 to October 2015. The auditors examined relevant programme and transactional records and interviewed personnel, both in Headquarters and in the Office. Further, the auditors also conducted site visits to a project activity at the National Museum in New Delhi and the future office premises that the host government is constructing.

Assessment of Controls

7. As part of the audit, IOS validated the most recent self-assessment of internal controls performed by the Office 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 Office controls in five of the seven functional areas reviewed in this audit. The implementation of the recommendations contained in this report will improve controls where needed (see Table 2).

¹ 191 EX/28 Part III

Table 2 - Validation of Internal Control Self-Assessment

Functional Area	Self-Assessment (2015)	Self-Assessment (2016)	IOS assessment
Office Objectives	Globally Controlled	Globally Controlled	Needs improvement (Recommendation 1)
Programme Management	Globally Controlled	Globally Controlled	Needs improvement (Recommendations 2, 3, 4 & 5)
Financial Control	Globally Controlled	Globally Controlled	Globally Controlled
Supply of Goods, Works & Services	Globally Controlled	Globally Controlled	Globally Controlled (Recommendations 6)
Human Resources Management	Globally Controlled	Globally Controlled	Globally Controlled (Recommendations 7)
Travel Management	Globally Controlled	Globally Controlled	Globally Controlled (Recommendation 8)
General Administration	Globally Controlled	Globally Controlled	Globally Controlled (Recommendation 9)

Achievements:

8. Since the 2013 External Audit, the office has made progress in several areas. The external audit raised 15 recommendations ten of which have been implemented. Some actions taken include the Office publishing a biennium report, putting in place a formal Officer-in-charge appointment process and establishing easy-to-follow guidance for administrative tasks.

9. The Office diligently monitors most of its activities and projects to ensure timely implementation and leverages on regional forums for promoting and shaping its programmes in the cluster. For example, the CI sector used the South Asia Press Freedom Report to interact with partners and identify regional priorities. Similarly, the Education and Natural Science Sectors organized side events during the South Asian Association for Regional Cooperation (SAARC) meetings to engage with regional counterparts.

10. The Office also collaborates with UNESCO's extended network of regional Category 2 Centres and UNESCO Chairs. For example, the Communication and Information Sector collaborates with the UNESCO Chair on Community Media (housed in University of Hyderabad) to conduct theme-specific roundtables and consultations.

11. The Office uses e-publications, a quarterly newsletter and films to publicize its work. For example, the Science and Culture Sectors have jointly produced a documentary and e-publications on the biodiversity and value of four Indian World Heritage Sites. Further, SHS has produced a well-received film that highlighted climate change and the resulting population movement.

12. The Office has mobilized resources to address specific programme opportunities. The Culture Sector, for example, has raised approximately US \$2.4 million to implement self-benefiting projects related to preservation of rural arts, cultural heritage and safeguarding of World Heritage property.

13. The host country values UNESCO's presence and supports its operating costs² and is constructing new office premises for UNESCO.

14. The overall level of administrative and financial controls is generally satisfactory. Certifying and approving officers respect authorized limits and adhere to segregation of duties. The Office has processes in place to monitor its commitments and also uses BFM's commitment monitoring reports.

Key Challenges and Opportunities:

15. The Office's interventions in the cluster are not guided by clear roles, responsibilities and performance metrics to measure success. As a result, the New Delhi Cluster Office resource allocation is inconsistent and programme implementation lacks cluster-wide coherence. This condition is not unique to this Office since IOS has made similar observations in other audits.

16. In all Sectors except for Culture, senior programme staff implement small programme portfolios raising questions of implementation efficiency. UNESCO has not established metrics for assessing programme implementation efficiencies for its field offices. The current review on the sustainability of the field network presents an opportunity to develop such performance metrics.

17. Resource mobilization is ad-hoc and the Office relies on individual staff initiatives. Additionally, most resources are raised for programme work within India. Given the limited regular programme resources, the Office should establish a resource mobilization plan supported by UCPDs to adequately implement programmes in each cluster country.

18. The Office needs to identify risks to programme delivery in its cluster. Further, opportunities identified during this exercise can be exploited to expand programme delivery and build new partnerships.

19. Programme specialists need to evaluate consultants' performance against their agreed terms of reference and express an opinion on their performance. This will provide the Office with the necessary information to make informed decisions about re-contracting the consultant in the future.

20. The Office can achieve efficiencies by better planning travel and purchasing tickets at least fourteen days before departure. Further, the Office should systematically tag assets upon receipt to ensure identification and traceability for control purposes.

21. Following the audit field work, the Office took steps to address certain weaknesses in internal control highlighted by IOS at the exit meeting. These included ensuring timely settlement of mission travel and maintaining up-to-date vehicle log books.

Table of recommendations

Recommendation 1: FSC, under the guidance of the Task Team for the Review of Sustainability of the UNESCO Field Network, to clarify roles and accountabilities of Cluster Offices vis-a-vis programme delivery including their collaboration and coordination with National Offices in the cluster area.

Recommendation 2: FSC, under the guidance of the Task Team for the Review of Sustainability of the UNESCO Field Network, to establish performance metrics to assess programme delivery efficiency of Field Offices.

Recommendation 3: DIR/NDL, in collaboration with BSP, to establish a resource mobilization plan for each sector based on UCPDs for each sector prioritizing Member States' needs and reflecting UNESCO's cluster priorities with targets and timeframes.

² The host government provides additional appropriations amounting to US \$386,000 each biennium towards office rent.

Recommendation 4: DIR/NDL to use the appropriate SISTER functionality to record and report activities (and their associated results) implemented without activity budgets.

Recommendation 5: DIR/NDL, 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.

Recommendation 6: DIR/NDL to prepare a comprehensive procurement plan at the beginning of each year.

Recommendation 7: DIR/NDL to ensure that programme specialists complete contractor evaluations with clear assessment of performance/deliverables against the contractual terms of reference.

Recommendation 8: DIR/NDL to establish procedures to ensure that missions are entered in the travel plan and air tickets are purchased at least two weeks prior to departure.

Recommendation 9: DIR/NDL to establish procedures to ensure that office assets are systematically tagged to enable identification and traceability for control purposes.