# Report by the Director-General on the execution of the programme (34 C/5) (01 January - 31 December 2008)

## Internal Oversight

## Part I – General Policy and Direction
## I.B – Direction

| Paragraph 00508 | | Chapter 5 – Internal Oversight | | | |
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| | **Regular budget: Activities** (rounded to $ thousand) | |
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| | **Planned: $1 134** | **Actual: $736** |

| 34 C/5 Expected Results | Achievements | Challenges/ Lessons Learnt | Cost- Effectiveness | Sustainability (Indicators or Measures) | Recommendations by the Executive Board |
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| Quality and cost effectiveness of evaluation outputs improved for both regular and extrabudgetary programmes. | • Under the 2008–2013 Long-Term Strategy, evaluations are now selected based on their strategic importance. With this approach, all strategically important areas will be evaluated, including important decentralized bodies such as Field Offices and Category I institutes and key centralized functions such as recruitment.<br><br>• In 2008, ten evaluations were conducted and completed under the former strategy of selecting specific subjects or programmes, three of which were presented to the 180th Session of the Executive Board in document 180 EX/27. Four evaluations were begun in 2008 under the new strategy and will be completed in 2009. In addition, two evaluations were conducted upon request: an Evaluation of UNESCO Office in Mexico and an Evaluation of Publication Capacity. | • The current long-term strategy does not cover UNESCO governance, Category II Institutes and a number of central services. | The move to strategic, portfolio-based evaluations has increased overall impact and has improved cost-effectiveness of the evaluation function by allowing for wider evaluation coverage with the same resources. | | |
| Capacity increased to undertake evaluations and to self-assess internal controls within UNESCO. | • IOS prepared a control self-assessment tool for field offices. This focuses on common risk areas and corresponding controls and is designed to support managers in the control of field operations. The tool is now distributed to heads of field offices upon their assignment and is completed by UNESCO managers as part of the planning phase for each field audit. IOS will introduce self-assessment with on-site validation on a pilot basis during first quarter of 2009.<br><br>• Three evaluation tools were released for the use of UNESCO staff to support the evaluation process and to improve the quality of evaluations. In addition, IOS organized five self-evaluation workshops, training a total of 80 participants. | • IOS plans to continue to work towards clearer articulation of expected results and more specific performance indicators and benchmarks to facilitate subsequent monitoring, evaluation and reporting. The objective is to improve accountability, further increase effectiveness and better integrate evaluations into results-based management processes. | The use of control self-assessment tool is expected to lower costs associated with IOS field audits, and the pilot programme of self-assessment with IOS validation is intended to be a low-cost option to full field audits by obtaining limited control assurances for field offices at substantially reduced IOS investment. | | |
| Evaluation/audit results presented to governing bodies and utilized to improve as appropriate the management | • All IOS-managed evaluation reports are published on the external IOS website and the summaries of strategic evaluations are presented to the Executive Board. IOS systematically follows up | • The need for more practical and actionable recommendations, improved action planning and timely follow-up persists, and IOS | Full exploitation of IOS web-site is highly cost effective, especially in regard to dissemination of evaluation | | |

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| culture of the Organization. | all recommendations to ensure that results of IOS evaluations and audits are used by management to improve programme delivery and operational processes and controls. During 2008, this was a high priority with significant efforts which led to a sharp fall in the number of open audit recommendations, from 2,200 at the beginning of 2008 to 480 by the end of the year. This included detailed review of all open audit recommendations in light of current risks to UNESCO and corresponding action planning, monitoring and reporting.<br><br>• IOS completed a comprehensive review of action plans and progress reports on the implementation of recommendations for all evaluations submitted to the Executive Board from 2004 to 2007. The review assessed the validity of all open evaluation recommendations, with the aim to close all those issued before 2007 and to make substantial progress on those made in 2008. As a result of this effort, some 170 evaluation recommendations were closed. A set of Guidelines for Follow-up to Evaluation Report Recommendations was made available to UNESCO staff and other stakeholders. | is working together with stakeholders on overcoming this challenge.<br><br>• IOS visibility, especially access to IOS website, is suboptimal, and IOS is currently exploring the ways for improving it.<br><br>• In regard to above, IOS needs to put in place more effective communication practice, especially in regard to disseminations of lessons learnt, and a possibility of issuing quarterly news-letter is currently being explored. | reports and highlights.<br><br>Re-orienting recommendation monitoring and follow-up to better reflect risks is expected to enhance cost-effectiveness of follow-up processes. | | |
| Effective and efficient use of resources in programme delivery enhanced. | • IOS undertook 28 audits and other engagements during 2008. Field coverage included two Regional Offices, five National or Cluster Offices and two Institutes. Eight headquarters audits were completed, including four in the area of Information Technology. In addition, three advisory engagements were undertaken. Specific audit recommendations during 2008 included strengthening project management and governance of information technology; improving priority setting, result- planning and performance monitoring of field offices; and addressing long-term use of temporary assistance contractors at Headquarters. IOS also directed recommendations to field offices to improve controls over such areas as advance payments, competitive procurements and monitoring and reporting on extrabudgetary projects.<br><br>• To assist in the implementation of the ongoing Risk Management programme at UNESCO, IOS facilitated a workshop for Senior Managers to | • While the establishment of a Risk Management Committee puts UNESCO in a best practice position in the UN family, IOS will need to monitor the effectiveness of this approach in 2009. | The risk-based evaluation of the capacity to deliver 34 C/4 and evaluation of 8 pilot locations have been entirely undertaken internally which has lead to significant savings, in excess of USD 300,000.<br><br>Pre-audit risk assessment, including broad information gathering and analysis, reduces field work time and associated costs for audits of decentralized bodies. | | |

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| | identify and assess corporate risks. These risks were then classified according to relevance, impact and probability. This exercise was a part of the Risk-Based Evaluation of the Capacity to Deliver 34 C/4. The evaluation concluded that UNESCO had a fragmented risk management approach in place and recommended the establishment of a Risk Management Committee to formulate action plans to mitigate these risks. This approach received a high level of participation and a Risk Management Committee was established which held its first meeting in December 2008. | | | | |
| Recommendations from the Internal Oversight Service (IOS) quality assurance review of the audit function and the review of the evaluation strategy, as approved by the governing bodies, implemented. | • The outcome of the 2006 review of the IOS evaluation strategy formed the basis for the 2008–2013 Long-Term Evaluation Strategy, articulated in 175 EX/26. In 2008, IOS further addressed the key priorities raised in the review, namely to improve the quality of evaluations, strengthen the follow-up to evaluation recommendations, and improve evaluation capacities. These priorities have been articulated in the form of expected results in the 34 C/5 Evaluation Plan and significant progress has been made in achieving them. A new Quality Assurance Review of the IOS evaluation function was conducted in December 2008. The review showed general compliance with the standards and acknowledged the positive steps IOS had taken towards implementing a more strategic approach to evaluation planning.<br><br>• In 2008, IOS actively followed up on the results of a quality assessment of the internal audit function completed in 2006. Fourteen of the seventeen recommendations addressed to IOS have now been implemented, with three currently still underway. Progress made during 2008 included the preparation of an Internal Audit Manual, the development of a customer feedback mechanism, and clarification of job descriptions and responsibilities. Furthermore, IOS re-activated the Oversight Advisory Committee, which met twice during 2008. | • The chronic shortage of qualified evaluators in some regions continues to be a challenge, and IOS is currently exploring a possibility of facilitating capacity building fellowship scheme, together with UNEG and UN Staff College.<br><br>• There is a need for better communication/information strategy. In particular, evaluations should be presented in a more user friendly format.<br><br>• IOS needs to make much more use of existing evaluations conducted by other organizations (and particularly UN agencies) on topics which are being (or will be) evaluated by UNESCO, as these evaluations can be sources of ideas concerning approaches, bibliography and benchmarks. | Joint audit / evaluation missions leverage competencies and resources for more comprehensive oversight results.<br><br>The move to strategic, portfolio-based evaluations has increased overall impact and has improved cost-effectiveness of the evaluation function by allowing for wider evaluation coverage with the same resources. | | |