Hundred and sixty-fourth Session

164 EX/35
PARIS, 25 March 2002
Original: English

Item **6.10** of the provisional agenda

THE INTERNAL OVERSIGHT SERVICE'S (IOS) ACTIVITIES FOR 2001 AND STRATEGY FOR 2002-2003

SUMMARY

In accordance with 160 EX/Decision 6.5 which attached particular importance to the proposed accountability and reporting arrangements for the Internal Oversight Service, the Director of the Internal Oversight Service has prepared a report on "Internal Oversight Service Activities in 2001 and Strategy for 2002-2003".

Decision required: paragraph 57.

Accountability, strategy and resources

Accountability

1.   The Internal Oversight Service (IOS) was formally established in February 2001 to provide a consolidated oversight mechanism which covers internal audit, evaluation, investigation and other management support to strengthen the functioning of the Organization. It is charged with providing assurance that programmes and plans are delivered effectively, that strategic management information is reliable and timely, and that continuous improvements are fostered in methods and procedures so as to enhance the quality of UNESCO's operations. It is also called upon to identify major risks for the Organization and to propose remedial action to minimize such risks. IOS is functionally and organizationally independent from the primary control and accountability mechanisms and reports directly to the Director-General. The accountabilities of IOS were defined in documents 159 EX/INF.7 and 160 EX/23 and were endorsed by the Executive Board at its 160th session (160 EX/Decisions – 6.5).

Strategy and methodology

2.   The results of an organization-wide risk assessment exercise, which involved all senior management, shaped the direction and universe of the internal oversight strategy in 2001. As reported in document 161 EX/5 the strategy that emerged included the need to:

–   support management through initiatives to strengthen accountability and delegation of authority;

–   increase audit and evaluation coverage of field operations in support of the policy of decentralization;

–   give greater audit and evaluation coverage of extrabudgetary activities;

–   develop methodologies that forge the link between audit and evaluation.

3.   This exercise also identified the need to commission a risk assessment of the progress of the Finance and Budgetary System (FABS) and to identify any mitigating action needed.

4.   A key part of the strategy was also to ensure that adequate resources were made available to IOS (see paragraphs 7-10 below) and to strengthen IOS work processes and methodologies. Despite the limited staff resources available, IOS was able to implement its overall strategy and to cover all areas of its oversight mandate: audit, evaluation, investigation and management support.

5.   In terms of audit methodology, detailed programmes were developed using a standard methodology which applied an internationally recognized control framework to guide auditors in the implementation of field office audits. The methodology establishes the objectives of the audited area, identifies the risks that may threaten the achievement of those objectives, assesses the controls that need to be established to address the risks, and examines how management monitor the functioning of those controls. By applying this framework, IOS audit programmes and reports are structured by functional area and work process (financial management, contracts, travel, human resource management and general administration). This approach ensures that IOS is able to review and report on the effectiveness of internal control in a systematic manner. It has also been adapted for the headquarters audits undertaken.

6.   Methodology to forge the link between evaluation and audit was developed by establishing "Project Control Management" as one of the functional areas covered in an audit. This methodology was tested in two Headquarters project audits. The team comprised two auditors and one evaluator. The auditors reviewed the functioning of financial and administrative controls, while the evaluator reviewed the programmatic issues such as the clarity of the objectives, the existence and clarity of strategic work plans, and the existence and utilization of evaluation and monitoring mechanisms. This methodology is being developed further as part of the IOS 2002 strategy, and a guideline on "Project Control Management" will be used by both audit and evaluation personnel on field office reviews.

Resources

7.   When IOS was established in early 2001 it was staffed with ten professional staff. Since then four staff have been reassigned, and the head of the evaluation unit has retired. Recognizing the need to ensure that IOS is properly resourced, the Director-General approved the establishment of five additional professional posts. The specialist skill requirements have made it difficult to fill these posts. Two of the senior level posts have now been filled and at the end of 2001 there were

eight professional staff in post. Recruitment action is well advanced to fill two posts, and in progress to fill five others.

8.   Member States have shown a strong interest in helping to strengthen the oversight function and a significant development during 2001 was the agreement reached with two Member States to fund an Associate Expert post in IOS for two years (one audit and one evaluation). Another Member State agreed to second a junior professional for two years to IOS and one of these Member States has generously agreed to provide some $700,000 to finance a range of audit and evaluation activities.

9.   IOS will have 18 professional posts when all these posts are filled, although three are only of two years' duration. This will considerably increase its capacity to fulfil its mission. In the meantime, IOS is relying on consultancy support to assist with major oversight activities and will continue to do so in specialist areas.

10.   To strengthen collaboration with other Headquarters divisions/sectors and to improve awareness in Headquarters of the status of internal control in field offices, IOS has undertaken field audits and an evaluation with the participation of staff members from the Office of the Comptroller and the Bureau of Field Coordination.

Activities undertaken in 2001

Internal audit

11.   Internal audit activity is defined as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. In line with this definition, IOS audit activities in 2001 were focused on identifying risks that could threaten the achievement of UNESCO's objectives and in making recommendations to assist the Organization in addressing those risks. For this, IOS not only focused its audits on compliance with rules and regulations but conducted comprehensive audits which raised significant operational and management issues.

12.   Eleven of the 16 audits conducted in 2001 were field audits. Heavy coverage was needed due to the fact that many of the offices had not been audited for many years. Of the offices audited, five had been open for a number of years but had not been audited at all. Most of the rest had not been audited for at least four years. IOS views these field audits as an opportunity not only to identify local shortcomings so that the field office management can correct them, but also to identify system-wide shortcomings which, when corrected by management, produce long-term improvements benefiting the entire Organization and in particular all field offices.

13.   Seventeen extrabudgetary projects were audited. In addition, an audit of the Oil for Food Programme (OFP) in Iraq was reported on during 2001.

14.   Five headquarters audits covered financial and operational management of three projects, a review of the UNESCO Printing Unit and a comprehensive review of the Medical Benefits Fund.

15.   Six hundred and twenty-seven recommendations were issued. Almost all were accepted by management in their entirety and in many cases actions were set in train to implement the recommendations even before the audit team had finished their field work. The audited entities were requested to submit progress reports on implementation every three months after the audit was completed. This has not always been followed. To monitor this issue, IOS is establishing a computerized database to allow for recording, monitoring and analysing the audit/evaluation recommendations and their status. The lead auditor for each audit is responsible for monitoring the status until all recommendations are implemented and closed.

Field office audits

16. A weak control environment was found in most audited offices. IOS analysis showed that the main underlying causes were: poor understanding by staff of established rules, regulations and procedures, poor monitoring of internal controls by field office management, and poor support and monitoring by Headquarters.

17. Weaknesses in the control environment in the Brasilia Office prompted the External Auditor to inform the Executive Board that the concerns raised were serious and, if left unresolved, could result in a qualified opinion on the financial statements of UNESCO for the 2000-2001 biennium. As reported in document 162 EX/38, the External Auditor called upon IOS to undertake further extensive testing of controls and pointed to the many actions needed that would reduce the likelihood of qualification of the UNESCO accounts. The results of extensive testing in July/August 2001 had been satisfactory in many areas but more testing of 2001 transactions was taking place in February/March 2002 and the outcome will be reported to the 164th session of the Executive Board.

18. The following highlights major observations by functional area although not all audits addressed every area.

Financial management

19. All 2001 field audits assessed the functioning of accounting and financial controls and in all cases they were found to be deficient. One of the major observations in all offices audited was inadequate segregation of duties where the same staff member was performing all or most finance-related tasks. While this is unavoidable in small offices with a limited number of staff, IOS found the same issue in offices with enough staff to adequately segregate the duties. Lack of understanding and clarity on the accountability that a staff member has to accept as part of the assigned authority was another reason. As explained later in this report, IOS has taken several initiatives in 2001 and more are planned for 2002 to address this important issue globally.

20. Weak financial control and non-compliance with rules and regulations was evident from the opening of bank accounts and revision to bank signatory panels without authorization from the Comptroller, signing of cheques by a single signatory instead of two, delays in performing bank reconciliations and weak monitoring of long outstanding items in the bank reconciliation.

21. Shortcomings in processing and accounting for payments were common. For example, payments were being made without valid obligations, with incorrect budget codes, with cash instead of cheques or bank transfers and with unclear and incomplete information in the disbursement and receipt vouchers. Extensive use was being made of suspense accounts. A significant contributory factor was the lack of understanding by field staff of UNESCO's financial rules and regulations, including linkages between the field and Headquarters systems and processes. Inadequate post facto monitoring by the Division of the Comptroller (DCO) was another factor. If the level of expenditure control performed by DCO in reviewing the monthly submission of receipts and payments by field offices (the imprest accounts) had been satisfactory, then these issues could have been detected earlier and actions taken to improve control and minimize the risks. IOS recognized that limitations in Headquarters' legacy financial system had been one of the main obstacles for DCO. This made expenditure entry and control a very resource-intensive task. DCO is committed to action to improve its effectiveness in this area by using the new financial system. Once it is fully functional in Headquarters and the field it will be possible to use it to monitor expenditure with fewer resources. In the meantime recommendations were made to DCO to strengthen their controls over field expenditure.

Contracting and procurement

22. A significant part of field expenditure was spent on contracts, either in the form of fee contracts, consultancy, activity financing or procurement. The audits found weak control and various recommendations were issued to strengthen the management of contracting.

23. One of the main risks was in the weak certification process for confirming receipt of the deliverables for fee and consultancy contracts. Similarly, there was limited scrutiny of the financial statements submitted by project partners under activity financing contracts. These financial statements were often not supported by receipts and associated documents. IOS was thus often unable to gain assurance as to the validity of payments made to the contractor. Action was needed to ensure that commitments to a contractor are always done through the establishment of a contract and to ensure that the correct type of contract is used. Completeness and clarity of the terms of reference established with the contractor should also be improved. Issues on procurement included inadequate matching of equipment ordered and paid for with the equipment actually delivered to projects.

Human resource management

24. Shortfalls in staffing, delays in recruitment, staff hired on short-term consultancy contracts, confusion in issuing the correct type of contracts for locally recruited personnel and lack of staff training had affected the proper management and administration of the offices audited and had resulted in many of the internal control weaknesses found in other functional areas. Several director and administrative officer/assistant posts had been vacant for lengthy periods (of up to three years). To fill the gaps, consultants were recruited on a temporary basis to perform these key functions with full financial authority.

25. Lack of training to staff, most importantly to directors and administrative officers/assistants is an issue which is well recognized and actions are being taken by the Human Resources Management Division to address it.

Travel management

26. There was non-compliance with UNESCO rules and regulations on, for example, the failure to authorize travel orders before missions. Improvements are also required in the certification and calculation of travel claims including ensuring the completeness and correctness of the supporting documents. Weak or non-existent mission reports prevented office management from evaluating whether the purpose of the travel had been achieved.

General administration

27. The scope covers non-expendable property, office vehicle management, personal use of office facilities and equipment, and office premises. While some offices have produced non-expendable inventory lists as a tool to keep track of office property, this needs to be applied more generally by other offices.

28. The lack of a mechanism to monitor and request reimbursement from staff on the personal use of office facilities, including use of office vehicles and telephones, was observed in a number of offices. Guidelines and a policy are also required for signing the leases for office premises. The management of field office premises was found to be deficient and a recommendation was issued to the Bureau of Field Coordination to draw on the services of a facilities manager to help them support field offices.

Extrabudgetary project audit

29.   The need to attract extrabudgetary funding is important for UNESCO's programme implementation and this was recognized in the risk assessment exercise. In 2001 IOS therefore invested considerable resources in reviewing the management and administration of 17 extrabudgetary projects. It also covered aspects of the management of the 95 self-benefiting projects managed by UNESCO Brasilia (see paragraph 17 above).

30.   A number of audits found that UNESCO financial rules, regulations and procedures had not been complied with. For example, donor contributions had been received in local bank accounts and budgets revised without informing Headquarters and financial statements had been issued by field offices without reconciliation with the financial records in Headquarters.

31.   Several audits identified the need to strengthen expenditure control. There were some incorrect charges for purposes not foreseen in the project agreement and in one case some US $45,000 was credited back to the donor when the audit was finalized. Incorrect information in disbursement vouchers had led to large amounts in suspense accounts.

32.   It was observed in several cases that project planning and monitoring needed to be strengthened. There were unrealistic timescales set, changes to project implementation modalities after projects had started, work plans without detailed budget costings and a lack of regular project progress reports. There was also scope to improve the monitoring of equipment procured and handed over to the projects.

Headquarters Audits

33.   Five Headquarters audits were undertaken: the Medical Benefits Fund, the Printing Unit, the Participation Programme, one regular programme and one extrabudgetary project.

34.   The objective of the Medical Benefits Funds review was to determine whether the medical plan adequately responds to the requirements of the Organization and its staff in terms of benefit structure, claims processing and costs. The review produced recommendations to significantly improve claims processing and to revisit the plan design given that the reserves held by the fund could be depleted in seven years if no changes are made. An actuarial model was developed to evaluate the impact of potential changes to the plan. Action is being taken on all these issues.

35.   Control weaknesses found on the regular and extrabudgetary projects were similar to those found in field office audits.

36.   The IOS audit of the Participation Programme in the 2000-2001 biennium came up with generally positive findings. New internal procedures put in place by the Director-General and General Conference resolutions were being strictly followed. The audit did nevertheless make recommendations to further improve the efficiency and effectiveness of the management of the Programme which are being acted upon.

37.   The main conclusions emerging from the IOS review of the Printing Unit was the need to develop a business plan, improve information on workflows and to improve communication between management and the workforce.

Investigation

38.   All suspected irregularities are fully investigated to determine the validity of potential violations. Most investigations were prompted by audits, or by information received from staff.

Two significant cases that were concluded in 2001 arose from field audits. All cases are fully documented, reported and adjudicated by management through established mechanisms and processes. In one case the head of a field office was dismissed and US $60,000 recovered. A key feature of the IOS approach to investigation is to assess the underlying control weaknesses that allowed an irregularity to occur or delayed its detection. This approach strengthens the contribution of IOS to improving the overall controls within UNESCO.

Cooperation with external audit

39.   IOS now acts as the focal point in the Secretariat for representatives of the External Auditor. A close working relationship exists. Respective plans are compared to ensure that there is no duplication. All IOS reports are transmitted to the External Auditor and, the External Auditor places reliance on the work of IOS and did so in the case of Brasilia (see paragraph 17 above). IOS pays particular attention to monitoring the implementation of the recommendations of the External Auditor.

Evaluation

40.   Evaluation seeks to assess systematically and objectively the relevance, performance and success of ongoing and completed programme activities and to draw out lessons learned for future programmes. It is a management and accountability tool. The primary responsibility for evaluation rests with programme sectors and field offices. In that regard evaluation helps programme sectors to account for resources entrusted to them. IOS provides expert support to the programme sectors in defining the scope and methodology applied and assurance as to the quality of the evaluations produced. During programme development IOS works with sectors and the Bureau of Strategic Planning in helping to define results in measurable terms and in developing performance indicators. It is also responsible for tracking the implementation of the action taken in response to evaluations, reporting on them to the Executive Board and for coordinating the content of the Director-General's report on the activities of the previous biennium (C/3), which often draws upon the outcome of evaluations. When IOS was created it was evident that the profile of evaluation in UNESCO was not high, nor was the quality of some of the evaluations in progress. During 2001 IOS had limited capacity but did support the following activities:

   (a)   presented the outcome of nine external evaluations to the Executive Board for consideration of the outcome and the action needed to follow them up (161 EX/42, 161 EX/19 and 162 EX/38). These included an evaluation of the Fellowships Programme, as a result of which action has been taken to further strengthen the management of the Programme, and an evaluation of the programme activities managed by UNESCO Brasilia (see below);

   (b)   commissioned an evaluation of the value added from UNESCO's contribution to the 95 self-benefiting projects in progress in Brazil which in the 2000-2001 biennium involved expenditure of some $180 million (162 EX/38). The findings highlighted the strengths and achievements of UNESCO as an implementing partner in Brazil. It concluded that UNESCO was providing a valued contribution;

   (c)   made proposals for strengthening the report of the Director-General on the activities of the Organization (C/3) in document 162 EX/6. These included proposals to improve the timeliness of the report so that lessons can be fed into future planning and also proposals to strengthen the analytical content of the report. These proposals were endorsed by the Executive Board;

(d)   prepared the evaluation plan for 2002-2003;

(e)   working closely with the Bureau of Strategic Planning, co-facilitated training on results-based management;

(f)   refined criteria for evaluating field offices.

41.   As IOS capacity increased towards the end of 2001 so did its hands-on-support to programme sectors to help them improve on the quality of evaluations in progress. The newly formed evaluation team also began to develop an evaluation strategy for UNESCO, which seeks to raise the profile and value of evaluations throughout the Organization.

Support to management

42.   IOS undertook a number of activities in support of management in 2001:

(a)   one of the major risks identified in the Organization-wide risk assessment was a lack of clarity over the delegation of authority and accountability in the complex organizational structure that UNESCO has centrally. IOS has developed a Table of Delegation of Financial Authority and Accountability. The Table specifies which staff member should perform particular authority functions and what their accountabilities are in performing the assigned authority. This Table is being applied in the new financial and budgetary system;

(b)   IOS was requested by senior management to review the existing arrangements for selecting and evaluating partners for programme implementation. Draft guidelines prepared by IOS, which propose new streamlined but rigorous arrangements, are currently being tested for a six-month trial period;

(c)   given the importance and high risks associated with the development and implementation of the new financial system, IOS commissioned a review of the project by a specialist consultant in April/May 2001, seven months before the planned implementation. Various recommendations were made to mitigate the risks. In addition, IOS provided support to management to address issues as and when they emerged during the preparation for going live;

(d)   developed proposals for helping to secure full accountability for the funds advanced to National Commissions for programme execution (161 EX/40).

IOS internal development activities

43.   The audit process was improved in a number of areas by, for example, calling on the auditee to provide an action plan to be included in the report released to show how they intend to address the recommendations made and by calling for a "representation letter" prior to an audit by IOS. This letter calls on the auditee to declare any known problems or irregularities and to say what action they have taken in response to these concerns. This helps to improve the culture of accountability.

44.   Other initiatives include: a mandatory audit exit meeting, and sharing the preliminary draft audit report with the auditee before the audit team leaves the audit site.

45.   A new field audit reporting format was introduced and various enhancements were made during the year to finally fix on a format that will be applied for all field office audit reports in

2002. The new structure divides the report into functional areas (e.g. finance, contract, travel) and presents the findings by uncontrolled risks identified during the audit.

46.   The development of a recommendations database was initiated with identification of the software and development of the specifications. It will monitor all internal audit, external audit and evaluation recommendations and their implementation status.

IOS Strategy for 2002-2003

47.   Audit, evaluation and investigation activities undertaken in 2001 helped IOS to refine its risk assessment and to develop its strategy and work plans for 2002-2003.

Audit

48.   Overall, IOS concluded, based on the 2001 coverage, that the effectiveness of controls in the field and in Headquarters needed to be significantly strengthened. The main underlying causes were ignorance of established policies and procedures and a lack of clarity as to what staff are accountable for. There were also significant gaps in policies and procedures which were often outdated. To address these risks IOS will in 2002-2003 give a strong emphasis in its work to preventive action. This will include:

   (a)   active participation in regional and global training to directors, programme staff and administrative officers to share good practices, common risks based on audit findings, and to stimulate action to strengthen controls such as proper segregation of duties;

   (b)   issuing periodic compilation reports of common audit findings proposing solutions to cross-cutting systemic problems and regular "do's and don'ts" reports. These will be widely distributed in Headquarters and the field;

   (c)   progressively converting the existing audit programmes used by auditors into self-assessment tools that can be used by management to self-assess and improve their own performance.

49.   IOS would confidently expect these preventive actions to have a significant impact on the strength of the control environment within UNESCO.

50.   The more traditional coverage will target 20 field offices each year, including significant coverage of extrabudgetary projects, three UNESCO Institutes and at least three audits each year of major Headquarters functions. The selection of the entity to be audited will be based on an audit risk model which includes both quantifiable and subjective risk variables. This will ensure that audits target the areas of highest risk. For this purpose, risk is defined as the potential for breakdowns in the Organization's internal controls which could adversely affect the achievement of UNESCO's objectives. To improve accountability in the Organization, IOS is committed to reviewing the Table of Authority and Accountability in each entity audited. For 2002, IOS has already planned to review the structure and work processes in DCO as well as in human resource function and procurement, a traditionally high-risk area.

Investigation

51.   IOS investigation capacity was strengthened in early 2002 with the recruitment of a professional investigator who will help to train other colleagues, in addition to undertaking investigations himself in Headquarters and the field. All reports of potential irregularities will be pursued and disciplinary action taken as appropriate. An important initiative will be the

establishment of a "hotline" to enable staff and other stakeholders to report potential irregularities to IOS on a confidential basis. Ethics training will be another important preventive action, and will make it clear that there will be zero tolerance of staff who commit irregularities.

Evaluation

52.   The starting point in early 2002 was agreement on a "UNESCO Evaluation Strategy". This identifies a number of key priorities and principles:

(a)   the need for IOS to raise the profile of evaluation by working closely with programme sectors to build capacity. Evaluation focal points in programme sectors and key field offices will be established and IOS will play an important role, once it has established its own capacity, in training and supporting the focal points;

(b)   working closely with the focal points IOS will help sectors and field offices to develop evaluation strategies and plans and to help them design particular evaluations. Close involvement at the planning stage is a high priority so that the results expected from programme activities are formulated in a way that can be evaluated with appropriate performance indicators identified;

(c)   IOS will develop operational guidelines to facilitate evaluation. These will include guidance on developing terms of reference, methodology, and in selecting the best-qualified and experienced evaluators;

(d)   IOS will play an important role in screening draft evaluation reports and evaluation consultants will not be paid until quality standards have been met;

(e)   sectors will be called upon by IOS to prepare implementation plans to show the action being taken to follow up on the outcome of evaluations and to show how the outcome has fed into future planning. IOS will be responsible for reporting to the Executive Board on all major evaluations produced and their follow up and also for disseminating cross-cutting issues emerging;

(f)   IOS will continue to be responsible for coordinating the production of the report of the Director-General on the activities of the Organization (C/3);

(g)   high priority will continue to be given to evaluations of extrabudgetary activities and to activities undertaken in the field;

(h)   to further develop methodologies that forge the link between evaluation and audit, in particular in relation to field operations;

(i)   for IOS to undertake a number of cross-cutting evaluations.

53.   Key underlying principles will be the need for IOS to support sectors in identifying the need for evaluations at the programme planning stage and for adequate budgets for evaluation to be allocated at that stage.

Support to management

54.   Based on the experience in 2001, IOS anticipate a significant number of requests for support which by their nature are unplanned.

The Oversight Committee and measuring the performance of IOS

55.   To help strengthen the oversight functions in UNESCO, an Oversight Committee was established in early 2002 comprising senior management and two external members. The committee will help the Organization to gain house-wide acceptance of the importance and usefulness of oversight, provide the Director-General with assurance that the oversight function is operating efficiently and effectively, and increase the transparency of oversight activities. A key role for the Oversight Committee is monitoring the implementation of audit and evaluation recommendations.

56.   As part of the self-improvement measures established by IOS, the biennium work plans include clear criteria for assessing the results of each IOS activity. In addition, IOS will monitor closely its performance against the Institute of Internal Auditors' recommendations made in the 2000 Oversight Quality Assurance Exercise (160 EX/INF.6).

57.   Having considered the above, the Executive Board may wish to consider the following decision:

The Executive Board,

1.   Having examined document 164 EX/35,

2.   Takes note of the encouraging progress made by the Internal Oversight Service, the outcome of its activities and its strategy for 2002-2003.

Hundred and sixty-fourth Session

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ADDENDUM AND CORRIGENDUM

**COMMENTS BY THE DIRECTOR-GENERAL
ON THE INTERNAL OVERSIGHT SERVICE ACTIVITIES IN 2001
AND STRATEGY FOR 2002-2003**

SUMMARY

In conformity with 160 EX/Decision 6.5, the Director-General
presents the report of "The Internal Oversight Service Activities in
2001 and Strategy for 2002-2003". This is the first annual report
produced by the Service since its establishment in February 2001.

1.   The accountability of the Internal Oversight Service (IOS) is described in 160 EX/23. It
specifies that the Director of IOS is accountable to the Director-General and in order to improve
transparency and serve the information needs of the governing bodies, the Office will prepare a
summary of the annual oversight plan and an annual report on significant oversight
recommendations and remedial actions proposed and taken, which the Director-General will
distribute to senior management and make available to the Executive Board Members and the
permanent delegates. Document 161 EX/5 further reiterates that the Director-General will make the
IOS annual report available unchanged to Executive Board Members and permanent delegates.

2.   Document 164 EX/35 contains the first annual report of the IOS, which was produced by the
Director of IOS. The Director-General commends the significant progress made by IOS, fully
endorses the annual report, and is pleased to share it with the Executive Board Members and
permanent delegates. The Director-General has already distributed the report to senior management,
discussed the implications with them, and has also requested that the document be distributed to all
field offices so that lessons learned from audit and evaluation activities can be utilized to strengthen
internal control in the organization and to enhance the quality of UNESCO's operations and
programme delivery.