Activities of UNESCO's Internal Oversight Service

Information Meeting for Permanent Delegates and Observers to UNESCO

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12 April 2017

Overview

Part I:
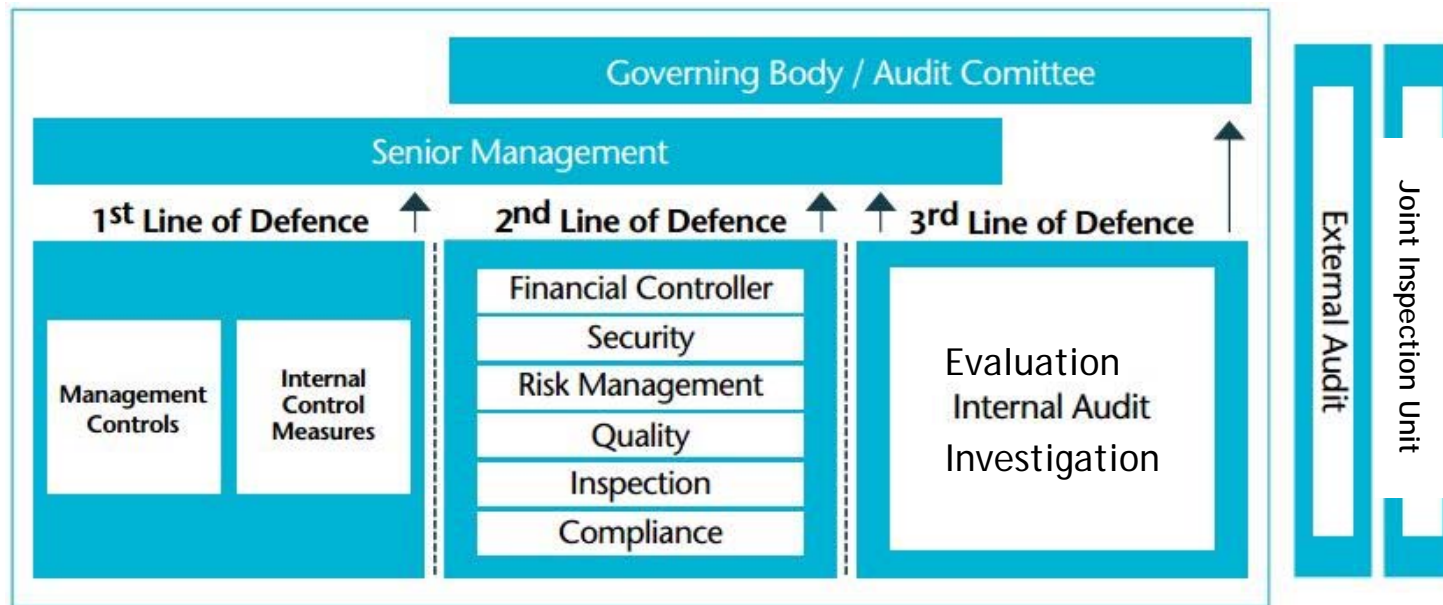
IOS in 2016 – Key Performance Data

Part II:

Select Audits in 2016: Category 1, 2, field audits, ERM

Part III:

Select Evaluations: Education in Emergencies (EiE)

IOS as an integral part of UNESCO's three lines of defense

Part I: IOS in 2016 - Key Performance Data

▶ 11 internal audit engagement reports issued

▶ 6 corporate evaluation reports issued and 29 decentralized evaluations supported

▶ 11 investigations reports issued and 32 new allegations reviewed

▶ USD 130,000 recovered as a result of investigations

▶ 125 open internal audit recommendations (vs 141 at the end of 2015)

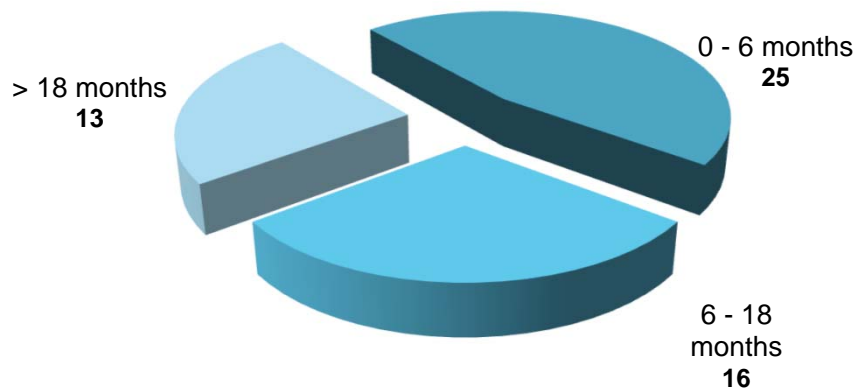▶ 54 open evaluation recommendations (vs 69 at the end of 2015)

IOS Budget

▶ IOS Budget Evolution

	2016 /2017 (38 C /5)	2018 /2019 (39 C /5)
E xB for E valuations	200,000	0
F IT O C A	899,000	952,200
R P Activity B udget	514,000	459,400
R P S taff B udget	5,163,000	5,602,600
T otal	**6,776,000**	**7,014,200**

Recommendation follow-up

Evaluation

> 18 months
13

0 - 6 months
25

6 - 18 months
16

54 open Evaluation recommendations in early 2017 compared to 69 a year earlier

Internal Audit

More than four years
2

Two to four years
16

less than two years
102
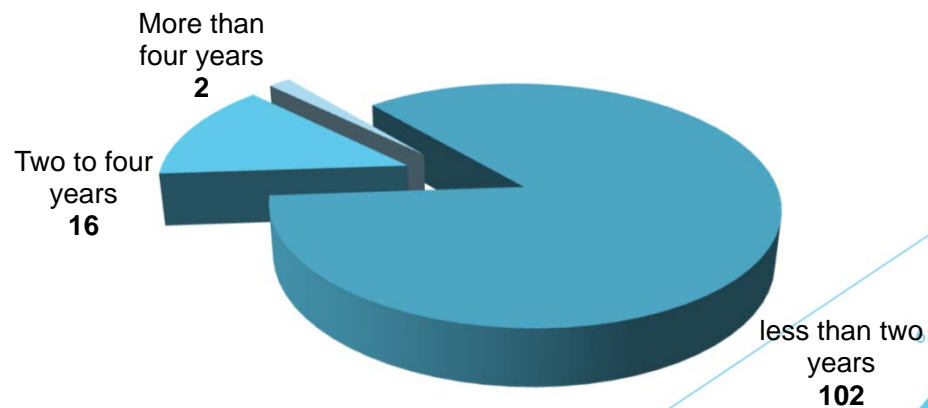
120 open Internal Audit recommendations (March 2017) compared to 141 a year earlier

Key Issues (Internal Audit)

▶ For 2016 IOS provided **only limited assurance**

▶ Key risk areas reviewed included **staff security** as well as **cyber security**

▶ **Risk management** advisory engagement: work in progress

▶ **Resource mobilization** audit: fragmented and unclear accountabilities remain

▶ **Programme management**: performance audit of UNESCO's operations in crisis and transition contexts; sector-specific audits (SHS)

Key Issues (Evaluation)

▶ **Organization-wide strategies and policies** to be developed to guide programming

▶ **Coordination mechanisms**, both internal and external, to be strengthened

▶ Human and financial resources not aligned with programme requirements or expectations of partners, thus need to use **fundraising / partnership strategies**

▶ **Networks and partnerships** to be better leveraged

▶ **Timing** and **coverage** of evaluations in regard to SRR

8

Ensuring adequate timing and coverage

| 2018 | 2019 | 2020 | 2021 |

39 C/5 Four-year Programme →

Major Programme Evaluations

-- ED, SC and CLT: 2 - 3 per year
-- SHS and CI: 1 -2 per year

Cross-Cutting Evaluations

-- One topic per year

↑ SRR

Challenges & Risks

▶ Budgetary and human resource limitations

▶ IOS advisory engagements to advise management unplanned & consistently stretched

▶ Recurring recommendations (e.g. Category 1 and 2 audits)

▶ Limited capacity to implement oversight recommendations (IOS, EA, JIU) leads to longer than acceptable (> 2 years) open recommendations

▶ Increased communications effort to promote use but more needs to be done

▶ Weak link between relevant IOS evaluation reports and programmatic and policy discussions

▶ IOS also plays effective JIU focal point role which takes resources; while role is effective reports are rarely discussed in UNESCO's Governing Bodies

Part II: Sample of Audit Engagements

▶ Category I Institutes

▶ Category 2 Institutes and Centres

▶ Audits of Field Offices

▶ Enterprise Risk Management

UNESCO Category 1 Institutes

There are 9 UNESCO Category 1 Institutes, 7 of which are under the Education Sector.
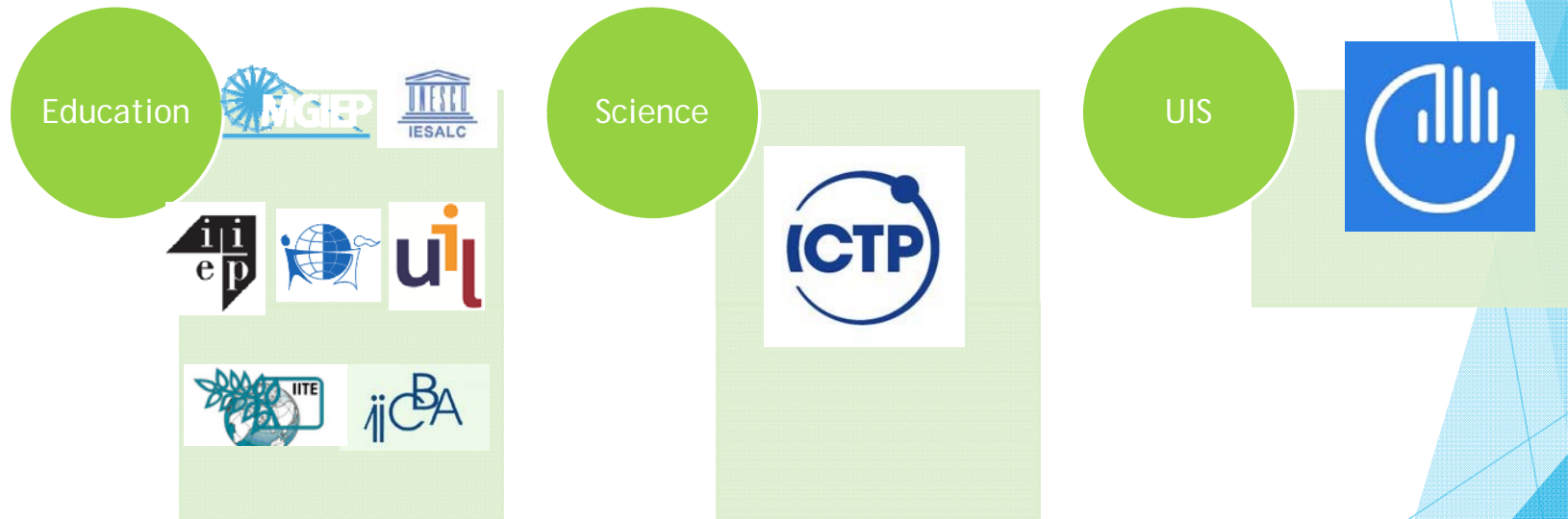
Key Challenges for Category 1 Institutes
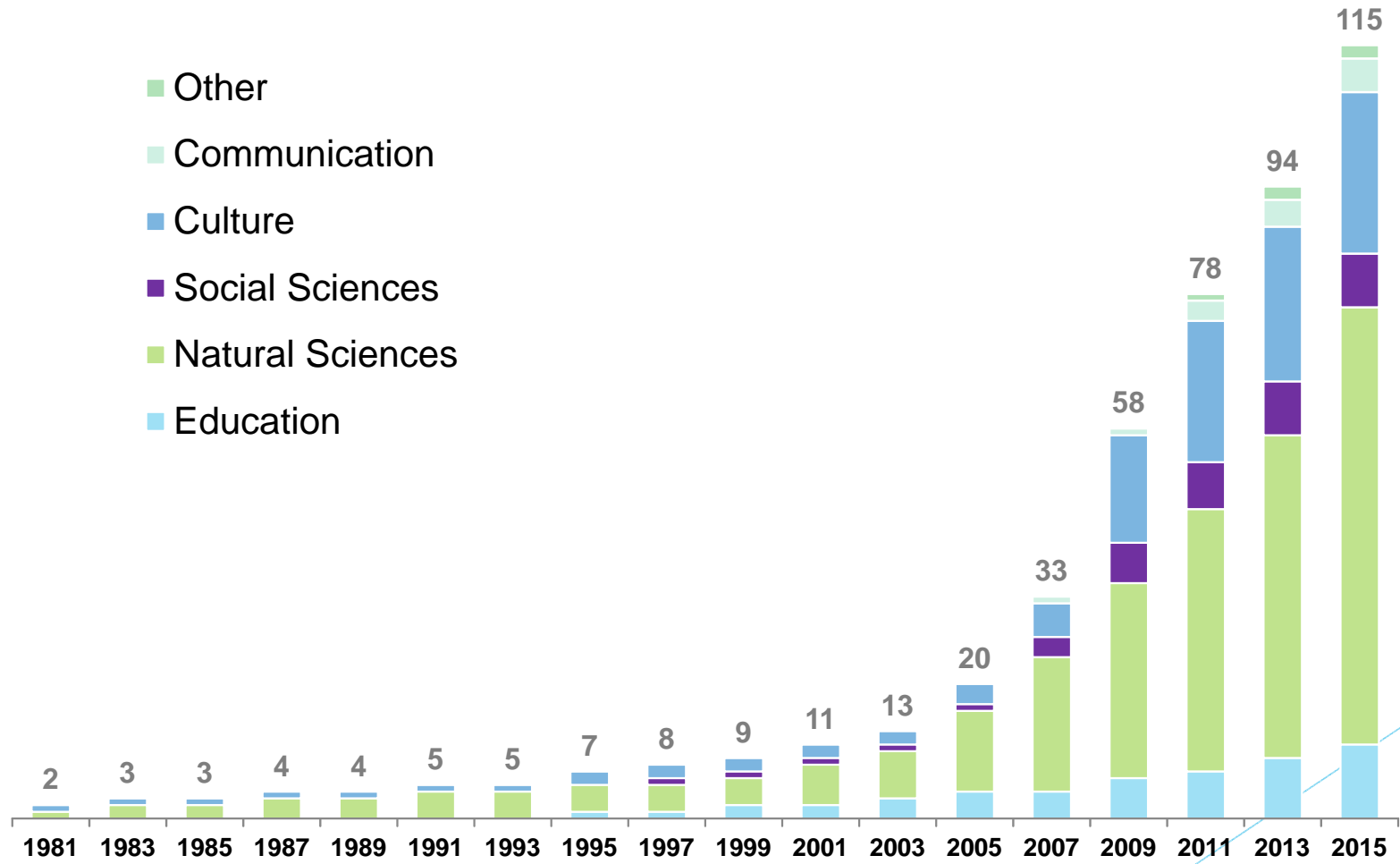
▶ Governance

▶ Sustainability

▶ Relationship with HQ

Key Challenges for Cat 1 Institutes: Governance

▶ Half of the Institutes evolved from relatively old bodies (e.g. IBE), and later incorporated within UNESCO

▶ The other 5 were created within the auspices of UNESCO's General conference (e.g. IIEP, IITE, UIS, ICCBA, and MGIEP)

▶ Some were originally regional in scope (e.g. UIL focused on Europe in its first 13 years)

▶ The diversity also extends to the staffing structure with some having more UNESCO staff status (e.g. IIEP, UIS, and ICTP) than others

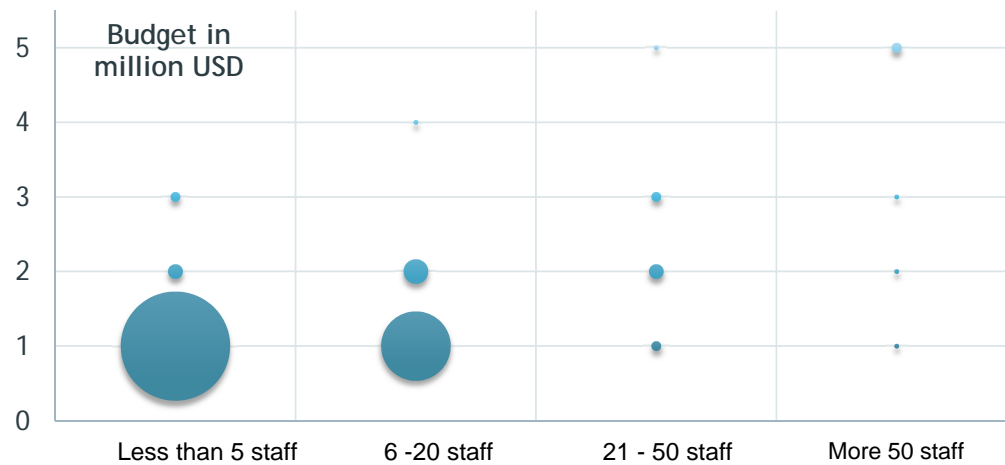# Key Challenges for Cat 1 Institutes: Sustainability and Relations with HQ

▶ Declining RP funding not met by increasing XB funding

▶ Varying autonomy and varying relations with HQ

▶ Lack of functional reporting lines has led to inconsistent application of UNESCO policies in human resources, procurement, travel and asset management thus increasing risks

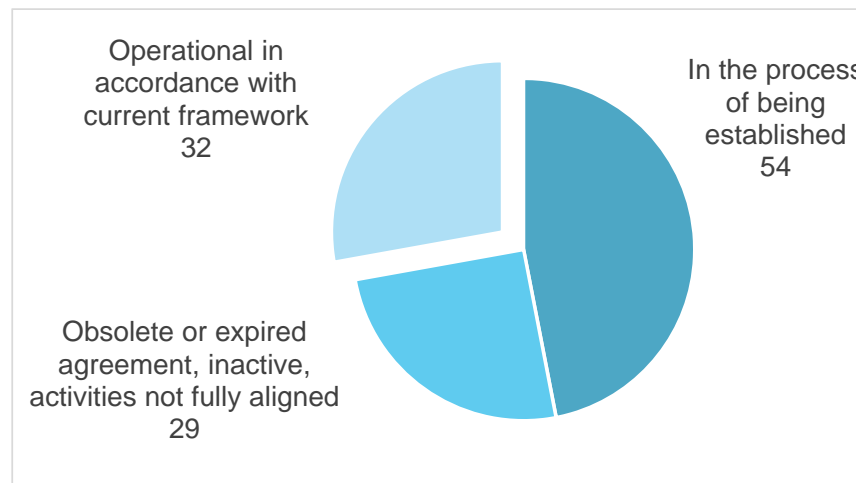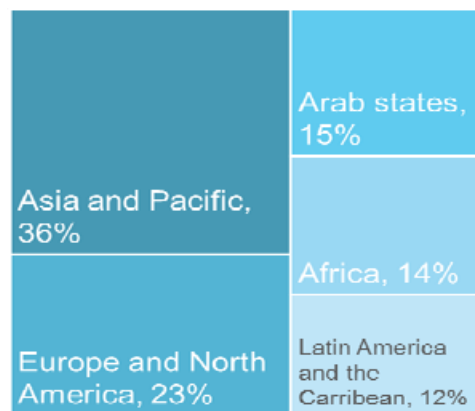# Category 2 Institutes/Centres Audit

Data on Category 2 Institutes/Centres

Budget in million USD

	Less than 5 staff	6 -20 staff	21 - 50 staff	More 50 staff

(y-axis: 0, 1, 2, 3, 4, 5)

Pre existing before becoming Cat2	
Yes	43%
No	57%

Asia and Pacific, 36%

Arab states, 15%

Africa, 14%

Europe and North America, 23%

Latin America and the Carribean, 12%

Operational in accordance with current framework
32

In the process of being established
54

Obsolete or expired agreement, inactive, activities not fully aligned
29

UNESCO staff cost associated with Cat 2 has proportionally increased

Legend:
- Staff cost estimate
- Approved institutes and centres
- Operational institutes and centres

	2010-2011	2012-2013	2014-2015	2016-2017	2018-2019
Staff cost estimate	1.5m USD	1.6m USD	2.2m USD	2.7m USD	3.3m USD
Approved institutes and centres	65	78	94	115	135
Operational institutes and centres	25	27	30	32	35
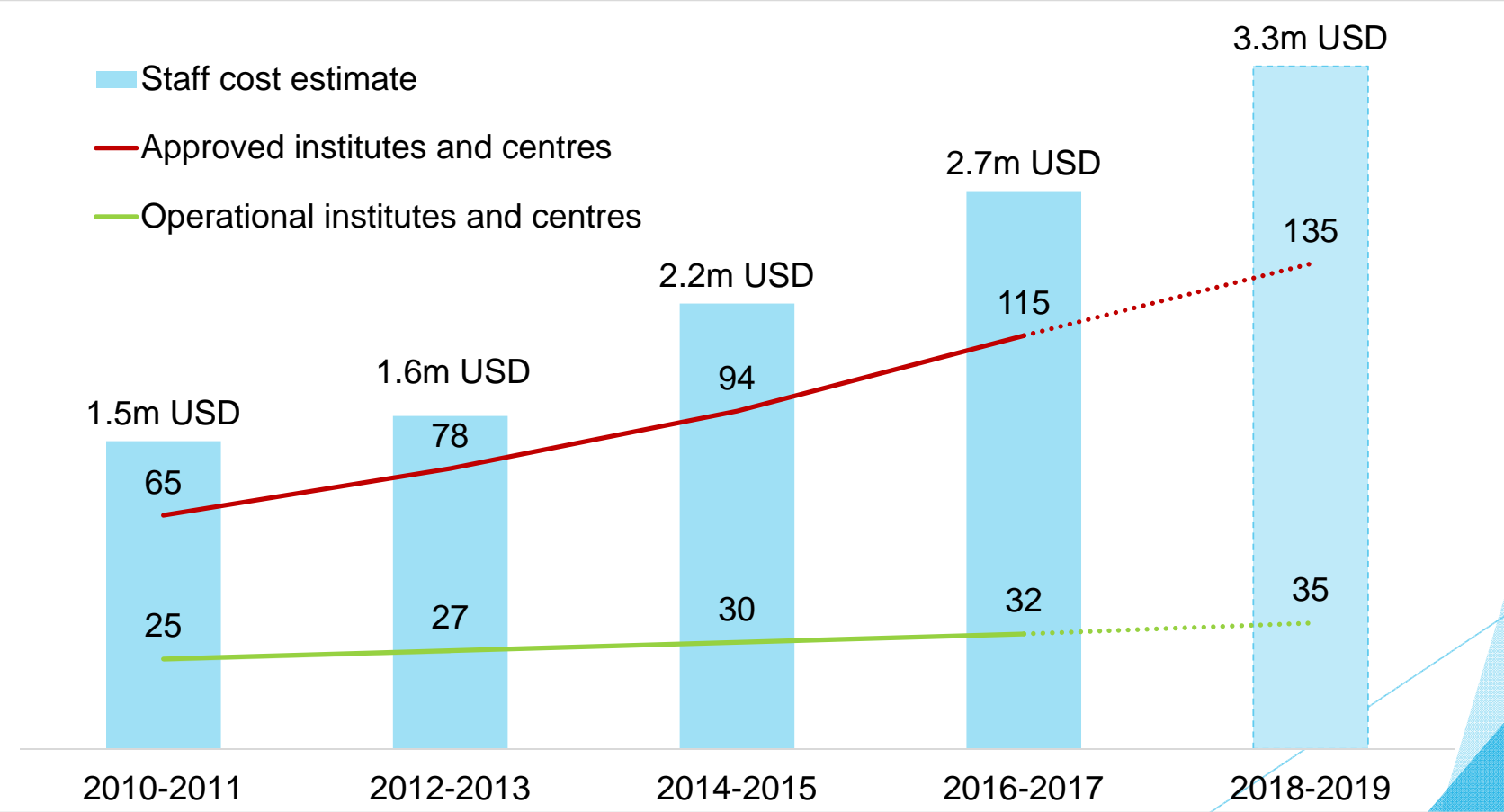
Category 2 Institutes/Centres Audit Findings

The growth of Cat 2 network is unsustainable

- ▶ Associated staff costs to UNESCO is unsustainable

- ▶ Value added is questionable

- ▶ Reputational risk to the Organisation is not managed

Key recommendations

- ▶ Intersectoral committee to:

    - ❑ Screen proposals and renewals

    - ❑ Rationalize number of Cat 2

    - ❑ Disengage from non-operational Cat 2

Systemic issues from Field Audits

▶ Significant inconsistencies in engagement across UNESCO Office countries.

▶ Reporting roles and accountabilities of UNESCO Offices remain disparate,

▶ Resource Mobilization

▶ Lack of country strategies

▶ Risk management

▶ IOS resources currently allow limited assurance. i.e. in terms of audit coverage, we can cover each field location every ten years (five as per C/5). This exposes the Organization to fraud and IT security risks.

Enterprise Risk Management

▶ UNESCO's ERM practices, when benchmarked against maturity models, are at an initial stage, i.e., basic ERM practices are in place and general risk awareness exists

▶ UNESCO applies some good risk management practices at programme planning and implementation, entity and organization levels

Enterprise Risk Management
Current status

Following the IOS ERM Advisory, there is progress:

▶ The DG entrusted the oversight of the ERM function to the DDG and has transferred the organizational responsibility for risk management to the DDIR/BSP

▶ The Risk Management Committee now regularly convenes and has established a short term roadmap

▶ Training and development of risk registers at all levels

▶ Once in place, a robust ERM will help UNESCO better understand and more effectively respond to risks and leverage opportunities to achieve its objectives

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Part III: UNESCO's role in Education in Emergencies and Protracted Crises

▶ Three-fold purpose:

  ▶ Relevance and added value of UNESCO's work in education in emergencies (strategic positioning)

  ▶ Efficiency and effectiveness of UNESCO's participation in international education coordination mechanisms

  ▶ Emergency response frameworks and capacities in education and overall (with internal audit)

▶ Two-phase exercise (4 case studies, synthesis work & audit)

UNESCO's role in Education in Emergencies and Protracted Crises

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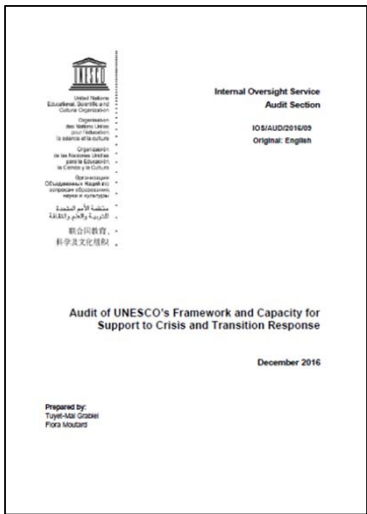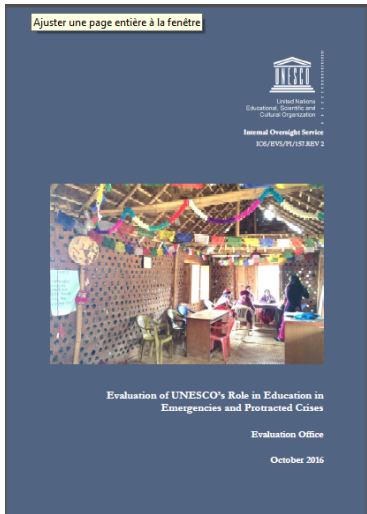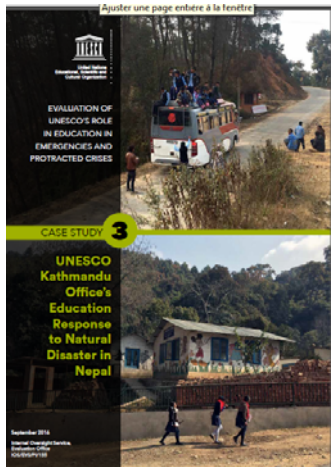
Main Evaluation Findings

▶ UNESCO's response in "Education in Emergencies" (EiE) increasingly seen as instrumental but is uneven and not guided by any strategy

▶ UNESCO must invest in order to be an effective partner in EiE

Education in Emergency

▶ Increased importance in context of Education 2030

▶ Not a relief actor, but works in preparedness and reconstruction - bridging humanitarian-development work

▶ Established niche areas: crisis-sensitive planning, information systems, NFE and higher education …

▶ Capacity to respond to emergencies only in countries where there are offices - presence from onset is key, such as for needs assessments

▶ Ad hoc interventions not guided by any strategy for EiE

▶ Uneven engagement in global coordination mechanisms

▶ Organizational frameworks and capacities not adapted for crisis response, gender mainstreaming is weak

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Recommendations
(Education in Emergency Evaluation)

▶ Develop a **global intersectoral strategy for EiE** to show it's a priority: with technical and niche areas, criteria for UNESCO's engagement, embedding of EiE in UNESCO's planning documents

▶ Establish a **community of practice** of all staff working in EiE (adequate resources needed)

▶ Ensure **regular representation** in the Global Education Cluster and other mechanisms in education to reaffirm UNESCO's leadership role in SDG4 Education 2030 (regular programme resources needed to ensure continuity)

Audit of UNESCO's Emergency Response
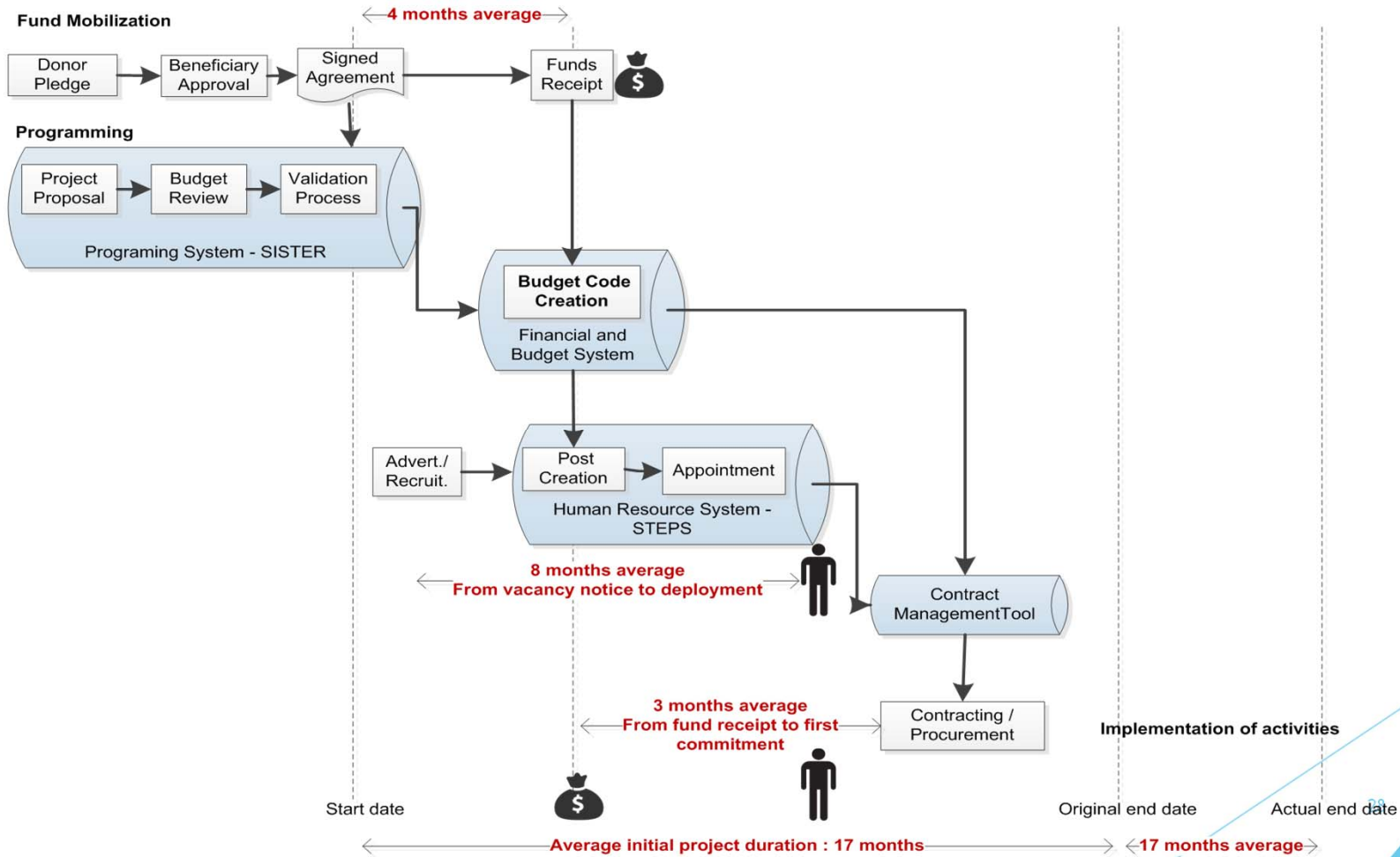
Recommendations (Audit)

▶ Develop a **strategic framework** for support to countries in crisis and transition

▶ Identify pertinent **expertise** in-house and enable for rapid deployment of staff

▶ Identify **expertise in needs assessments** and ensure UNESCO participation therein

▶ Establish an **Emergency Revolving Fund** to ensure UNESCO can participate from the onset of crises

▶ Establish **fast track procedures** and a **trigger process** for crises

▶ Strengthen **resource mobilization mechanisms** for crises

▶ Establish **generic vacancy notices** and **fast-track recruitment procedures** for crisis and transition situations

For further information….

IOS WEBSITE:

▶ http://www.unesco.org/ios

▶ Hard copies of all case studies and newsletters available

Thank you !