INTERNAL OVERSIGHT SERVICE (IOS): ANNUAL REPORT 2014

SUMMARY

The annual report of the Internal Oversight Service (IOS) is submitted pursuant to a standing request by the Executive Board (160 EX/Decision 6.5 and 164 EX/Decision 6.10). It sets out the key achievements of IOS for the concerned year.

The following items are attached as annexes to this report: audits and evaluations completed in 2014 (Annex I), the audit work plan for 2014-2015 and the provisional quadrennial evaluation work plan for 2014-2017 (Annex II), the annual report of the Oversight Advisory Committee to the Director-General (Annex III), the revised Terms of Reference of the Oversight Advisory Committee (Annex IV) as well as a summary of findings from JIU reports issued in 2014 of interest to UNESCO (Annex V).

All financial and administrative implications of the reported activities fall within the parameters of the current C/5 document.

Action expected of the Executive Board: Proposed decision in paragraph 20.
INTRODUCTION

1. The annual report informs the Executive Board of key activities of the Internal Oversight Service (IOS) for 2014 and its work programme for 2015. The report of the Oversight Advisory Committee to the Director-General whose terms of reference call for it to be shared with the Executive Board are attached as Annex III and Annex IV of this document.

OVERVIEW

2. IOS provides a consolidated oversight mechanism covering the functions described below:

Table 1: Main functions of IOS

| Internal audit          | Audits assess selected operations of Headquarters, field offices and information technology systems and make recommendations to improve the Organization’s administration, management control and programme delivery. |
| Evaluation              | Evaluations assess the relevance, efficiency, effectiveness, impact and sustainability of programmes, projects and operations as well as their coherence, connectedness and coverage. |
| Investigation           | Investigation assesses allegations of misconduct and irregularities (e.g. fraud, abuse of assets, or harassment). It is the sole unit responsible for investigating misconduct. |
| Advisory role           | Advisory services are rendered to senior management upon request ranging from organizational advice to operational guidance. |

3. IOS adheres to international professional standards\(^1\) for the conduct of its internal audits, evaluations and investigations. This includes continued reinforcement of its quality assurance processes through the advice of the Oversight Advisory Committee, by commissioning external quality assurance reviews of the audit and evaluation functions, and requiring all staff to be professionally certified in their field, in addition to their academic credentials.

4. Professionals in audit, evaluation and investigations are actively engaged in a number of United Nations system-wide fora, including the Representatives of Internal Audit Services of the United Nations Organizations and Multilateral Financial Institutions (RIAS); the United Nations Evaluation Group (UNEG); and the United Nations Representatives of Investigations Services (UNRIS).

5. IOS is part of a broader oversight mechanism for UNESCO which includes the External Auditor, whose reports are presented directly to the Executive Board, and the Joint Inspection Unit (JIU) whose reports are available at www.unjiu.org. Information on JIU recommendations is available on the IOS website at http://www.unesco.org/ios.

INTERNAL AUDIT

6. IOS audits assess the functioning of internal controls, the efficiency and effectiveness of operations and the reliability of management information. During the year, IOS performed audits covering a range of business processes and UNESCO entities. The principal audits are

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\(^1\) Audits follow the *International Standards for the Professional Practice of Internal Auditing*: investigations, the *Uniform Guidelines for Investigations*; and evaluations, the *Norms and Standards for Evaluation in the United Nations System*. 
summarized in Annex I and more information on the results of these audits is available on the IOS website. The audit work programme for 2014-2015 is presented in Annex II.

7. With regard to internal controls, internal audits completed during 2014 and the follow up on recommendations from prior audits showed some improvements as well as emerging risks attributable to the current funding shortfall, none of which, in our opinion, comprise material weakness in the overall system of controls. The principal areas where internal controls have required close attention are outlined below:

- **Programme management**: Considerable emphasis is currently being given to improving the programme information reported to the Governing Bodies. This is expected to improve information for decision-making while also potentially reducing the administrative burden at various levels of the programme hierarchy. At the same time, more attention is needed to implementation monitoring (as distinct from results monitoring) of projects and activities in order to ensure timely identification and resolution of implementation problems and to support effective reporting to donors on extrabudgetary projects. Efforts to better identify and recover Regular Programme staff costs applied to extrabudgetary projects are also progressing but will require sustained attention.

- **Administrative efficiencies**: Following budget reductions, increased emphasis is being given to the administrative workflows and services. IOS has remained engaged with the Bureau for the Management of Support Services to examine, for example, right-sourcing options to support more flexible and scalable service delivery.

- **Financial controls**: Segregation of incompatible duties is essential in safeguarding assets. Work in this area has shown effective segregation of the certifying and approving roles in contracting and procurement. High-value contracts are subject to close review of a contracts committee and generally conform to requirements and good practices. However, below the threshold for committee review, more needs to be done (i) to ensure competitive selection of contractors and (ii) in exceptional instances where competition is waived, to effectively assess pricing to ensure appropriate value for money.

- **Field structure**: While the field structure continues to be subject to a range of challenges attributable to resource shortfalls, progress has been achieved in clarifying the functional reporting lines and improving the performance management of heads of field offices. UNESCO Country Programming Documents require attention to ensure they are current and serve their intended purpose.

- **Communications**: UNESCO’s communication activities involve a wide range of personnel, offices and priorities. More needs to be done to strategically manage communications by (i) updating the communication strategy, (ii) clarifying communication roles and authorities across the Organization and (iii) introducing better web governance.

- **Information technology**: The identification of IT priorities has continued to be a managed process under the internal governance of the Knowledge Management and ICT Advisory Board. UNESCO’s Business Continuity Plan (BCP) is progressively being developed, and the Advisory Board is expected to review the BCP during 2015.

- **Control self-assessment**: Each year UNESCO’s managers undertake a self-assessment of internal controls within their unit. IOS validates these as part of its audit and assurance activities. During 2014 this included a detailed system-wide analysis of key controls with the results reported to 42 offices for consideration during their self-assessment exercises. IOS will continue with this validation process as a standard part of its work.

8. In 2013, the Executive Board invited IOS to specifically include multilingualism in the scope of its individual audits (191 EX/Decision 22.5). IOS has examined this aspect in the 2014 audit of
UNESCO’s communication strategy and noted that policies and procedures to communicate in six official languages were in place and generally complied with. Furthermore, there is regular monitoring of communication activities including an assessment of multilingualism. The UNESCO website is accessible in all official languages; however, multilingual information dissemination could be further improved. IOS recommended that UNESCO’s web governance, once established, place emphasis on improving multilingualism.

**EVALUATION**

9. During autumn 2014 the Evaluation Section elaborated a new Evaluation Policy for UNESCO. Presented in the information document 196 EX/24.INF, this updated policy establishes a framework for ensuring a stronger and more integrated evaluation system in the Organization. Reflecting the new four-year programme cycle, as well as changing global priorities, the policy also advocates for better planning and use of decentralized evaluations (those managed by programme sectors and field offices). The policy benefitted from the advice of the Oversight Advisory Committee and the JIU and was peer reviewed by six heads of evaluation functions in the United Nations system. It was also presented to UNESCO Member States during an Information Meeting in March 2015.

10. Several key evaluation activities during 2014 have contributed to the improvement of, *inter alia*, the following reform efforts, strategies and policies in UNESCO:

- A new format and cycle of reporting to the Executive Board was approved at its 195th session, following the **Formative Evaluation of UNESCO’s Results-Reporting** conducted jointly with BSP. With the aim of clearly distinguishing between reporting on activities/output delivery and reporting on expected results/outcomes, the new EX/4 reports will report on progress in programme implementation (activities and outputs) during each spring session, while also providing the Executive Board with an analytical programme implementation report for the first session of each quadrennium, as well as a strategic results report for the third spring session of each quadrennium. It is expected that the latter two reports will draw upon evaluation findings.

- The implementation of recommendations of **Part I of the Evaluation of UNESCO’s standard-setting work of the Culture Sector on the 2003 Convention for the Safeguarding of the Intangible Cultural Heritage** have already lead to a number of important developments. These include: the drafting of new operational directives on the contribution of intangible cultural heritage to sustainable development; the establishment of one single mechanism for the assessment of nominations files to the various Convention mechanisms; substantive revision and improvement of UNESCO’s capacity building programme in support of the implementation of the Convention as well as its follow-up; and, the revision of nomination and reporting forms to improve the evidence base of the results of the Convention, including its contribution to gender equality and women’s empowerment; and its impact on policy and legislation and NGO involvement.

- The **Review of Education Sector Category 1 Institutes** has led to several measures being taken to improve the management and performance of the institutes. For example, necessary amendments have been made to the institutes’ statutes to introduce term limits of directors and adjust the size and composition of their governing boards. Furthermore, the Education Sector is currently engaging in discussions with the Institutes on defining core issues of functional autonomy (for more information, see document 196 EX/5 Part IV).

11. IOS also engaged in collaborative efforts for developing guidelines for the evaluation of extrabudgetary projects and continues to provide backstopping and quality assurance to selected decentralized evaluations managed by sectors, offices and bureaus. Summaries of evaluations
completed are provided in Annex I and the full reports are publicly available on the IOS website. The provisional evaluation work programme for 2014-2017 is presented in Annex II.

RECOMMENDATION FOLLOW-UP

12. IOS formulates recommendations to inform strategic decisions and improve programme delivery, controls and efficiencies. IOS systematically follows up on the implementation of both internal audit and evaluation recommendations, as well as on recommendations of the JIU that are relevant to UNESCO. In 2014, IOS continued its emphasis on the implementation of recommendations by engaging in discussions and formulating action plans as reports are finalized and then periodically following up on the status and effectiveness of these action plans. As of 31 December 2014, there were 128 open recommendations by internal audit, a slight decrease from the 138 open recommendations at the beginning of the year. During 2014, 55 new audit recommendations were made and 65 recommendations were closed (of which 89 percent were fully implemented). With regard to evaluation, as of 31 December 2014, there were 97 open recommendations. During 2014, 69 new evaluation recommendations were made and 21 were closed.

INVESTIGATION

13. IOS is responsible for investigating allegations of corruption, fraud, waste, abuse of authority and other misconduct by UNESCO staff or third parties including consultants. Allegations are subject to a preliminary assessment to establish whether they are specific, credible, material and verifiable. In case of harassment, the Ethics Office undertakes this preliminary assessment. If there is prima facie evidence of misconduct, the matter is formally investigated by IOS. In cases where the investigation concludes that misconduct occurred, disciplinary measures are proposed by HRM to the Director-General.

14. In 2014, IOS received 29 new allegations and 26 allegations were closed – this included 12 cases remaining from 2013. More than 33% of the cases closed in 2014 were at Headquarters and nearly 66% were in field operations. IOS issued 13 investigation reports during the year. As a comparison, in 2013 IOS issued 15 investigation reports.

Table 2: Caseload of the Investigation Section 2011-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>New allegations</td>
<td>46</td>
<td>36</td>
<td>29</td>
</tr>
<tr>
<td>Allegations closed</td>
<td>66</td>
<td>48</td>
<td>26</td>
</tr>
<tr>
<td>including disciplinary actions</td>
<td>11</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>of which, separations</td>
<td>7</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Caseload as of 31 Dec.</td>
<td>24</td>
<td>12</td>
<td>15</td>
</tr>
</tbody>
</table>

15. Most of the allegations received in 2014 involved misrepresentation, forgery or inappropriate conduct on part of UNESCO’s personnel. A new trend of alleged IT fraud was also noted during the year. More information on recent cases is presented in the table below.
Table 3: Nature of Investigation Cases (Opened in 2014)

<table>
<thead>
<tr>
<th>Type of misconduct</th>
<th>No. of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Misrepresentation or forgery</td>
<td>6</td>
</tr>
<tr>
<td>Misuse of assets/resources</td>
<td>5</td>
</tr>
<tr>
<td>Conflict of interest or nepotism</td>
<td>2</td>
</tr>
<tr>
<td>Inappropriate conduct</td>
<td>9</td>
</tr>
<tr>
<td>Abuse of position or authority</td>
<td>4</td>
</tr>
<tr>
<td>IT fraud</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29</strong></td>
</tr>
</tbody>
</table>

ADVISORY ROLE AND REFORM FOLLOW-UP

16. IOS advisory work during the year included the communication and access of sensitive information within the Secretariat and continued engagement with MSS on achieving right-sourcing of certain administrative functions. Furthermore, IOS played an active role in the working group that developed the new results-reporting format.

17. IOS also provided strategic advice on reform and contributed to a number of discussions on management issues. More information on the implementation of reform efforts and the roadmap is provided in the EX/4 reports by BSP. In addition, and on an ongoing basis, IOS has supported various UNESCO initiatives, committees and working groups on streamlining work processes, improving knowledge management and ICT, strengthening cost recovery tools and procedures, introducing results-based budgeting, contracting and investment oversight.

OVERSIGHT ADVISORY COMMITTEE

18. The Oversight Advisory Committee (OAC) was established as a standing committee at the 35th session of the General Conference (35 C/Resolution 101). Its main purpose is to advise the Director-General on the proper functioning of oversight, risk management and control and to inform the Executive Board through the submission of its annual report which is annexed to this document (Annex III). The OAC is comprised of four external independent members who are appointed for two-year non-remunerated terms. So far, the OAC has met nine times. At the 195th session of the Executive Board, the OAC presented observations and suggestions regarding its Terms of Reference and future role (document 195 EX/5 Part III) and the Executive Board invited the Director-General to propose revised terms of reference reflecting these suggestions. These are presented in Annex IV of the present report. Furthermore, in 2014, four new OAC members were chosen to take its work forward. The new members met for the first time in February 2015.

LOOKING FORWARD

19. The IOS work programme for 2015 focuses on effective programme design and monitoring of results. Evaluation will focus on assessing the recent implementation of UNESCO’s field reform as well as on a number of strategically significant thematic evaluations, and internal audit will put emphasis on programme management. The 2014-2015 audit work plan and the tentative quadrennial evaluation plan for 2014-2017 are presented in Annex II.
Proposed decision

20. The Executive Board may wish to adopt a decision along the following lines:

The Executive Board,

1. Recalling 160 EX/Decision 6.5 and 164 EX/Decision 6.10,
2. Having examined documents 196 EX/24 and 196 EX/24.INF,
3. Welcomes the role of the Internal Oversight Service in the functioning of the Organization;
4. Welcomes the new Evaluation Policy for UNESCO and invites the Director-General to report on its implementation periodically;
5. Endorses the revised Terms of Reference of the Oversight Advisory Committee and recommends their adoption by the 38th General Conference;
6. Welcomes the recommendations contained in the report of the Oversight Advisory Committee, and requests the Director-General to ensure their full implementation;
7. Requests the Director-General to continue her efforts to ensure that all Internal Oversight Service recommendations are fully implemented within a reasonable time frame;
8. Requests the Director-General to continue to maintain an effective oversight function and to report annually on Internal Oversight Service strategies and activities, significant oversight recommendations and their impact, as well as actions taken by the Director-General to address and implement these recommendations.
AUDITS AND EVALUATIONS COMPLETED IN 2014

PRINCIPAL AUDITS COMPLETED

Communications
UNESCO’s external communication activities involve a wide range of personnel, offices and priorities. Against a backdrop of budgetary shortfalls and evolving technologies, much has been achieved through, for example, better management of publications, increased public access of UNESCO’s Internet, rapidly growing use of social media and good initiatives by certain sectors and offices.

Nevertheless, more needs to be done to strategically manage communications. The audit included eleven recommendations, with the Sector for External Relations and Public Information, in collaboration with its stakeholders, to give priority to (i) updating UNESCO’s communication strategy, (ii) clarifying communication roles and authorities across the Organization and (iii) introducing better web governance.

Medical Benefits Fund
IOS concluded that the financial controls for administration of the Medical Benefits Fund needed improvement in order to ensure (i) full collection of participants’ payments, (ii) reliable eligibility and enrolment records and (iii) effective administration of staff-share reimbursements. The audit recommended that priority be given to ensuring the integrity of system data by automating certain processes and segregating incompatible duties, particularly at the enrolment stage. The audit also noted that the HRM unit responsible for administering medical benefits was undergoing changes with the departure of key staff. This presents risks with regard to current administration of the Fund and also provides opportunities to improve workflows and control. A coordinated transition with clearly established roles, delegations, accountabilities and procedures will be essential in this regard.

Value for Money in Contracting
IOS concluded that UNESCO’s controls are generally well designed to ensure that value for money is achieved in contracting. However, more needs to be done to (i) increase competitive practices when selecting contractors and (ii) justify the pricing of non-competitive awards.

A positive aspect is that high-value contracts are subject to close review and approval of a Contracts Committee. These contracts generally conform to UNESCO requirements. Below the threshold for Contracts Committee review, there is a more permissive culture of non-competitive contracting. The audit also noted opportunities to improve the processes for receiving and accepting contract deliverables, determining the level of advance and installment payments, and evaluating contractor performance. The audit included eleven recommendations to improve value for money in contracting.

Project and Activity Monitoring
UNESCO’s monitoring of projects and activities has benefitted from the progressive implementation of results based management and the continued development of the System of Information on Strategies, Tasks and the Evaluation of Results (SISTER), a bespoke information system for planning, monitoring and reporting on UNESCO’s programme. Recent improvements include a reduction in the number of expected results across the organization and better mechanisms for planning and monitoring outputs. Nevertheless, more should be done to improve the reliability and relevance of monitoring information such as (i) clarifying the role and revising the working methods of the Programme Management Committee, (ii) re-establishing an alert system to identify and respond to implementation delays, (iii) creating a central online depository of key project documents and (iv) clarifying validation expectations for monitoring data.

Other Internal Audit Engagements
Field offices: IOS completed field work for audits of three UNESCO field offices during 2014. Systemic issues included the need to establish or update UNESCO Country Programming Documents and to more effectively use UNESCO’s Consultants Roster when selecting consultants. Performance objectives were established for Heads of offices and appropriate financial and administrative controls were generally in place.

Field security: As part of a restructuring, the responsibility for managing security issues in the field was reassigned from the Bureau of Field Coordination to the Safety and Security Management Section of MSS. However, these changes in responsibilities were not reflected in UNESCO’s procedures, and the protocol for reporting and assessing security issues in the field was unclear. IOS recommended that current roles and accountabilities be clarified to require prompt notification of the Safety and Security Management Section for assessment and guidance.

Additional appropriations: The level of additional appropriations has increased in recent years and become a significant part of the BP budget of the Programme Sectors. An examination of the related risks and controls showed the need to clarify the Administrative Manual text with regard to (i) the certifying officer’s role and accountability for additional appropriations and (ii) guidance on the disposition of any unspent funds remaining after completing the agreed activities.

Segregation of duties: Segregation of duties, particularly between the Certifying Officer and Approving Officer, is a cornerstone of UNESCO’s internal control system. Through data analytics, IOS verified the segregation of duties for all contracts and purchase orders (totaling 43,000) entered in FABS through the Materials Management module from January 2013 through June 2014 and identified 27 that were certified and approved by the same individuals. Most of these instances took place in eight field offices and in two institutes where segregation of duties was a challenge, and no contractual irregularities were noted. IOS reported these results to the CFO and to the individual offices involved, and will continue to monitor segregation in this regard.

Communication and access of sensitive information: In light of concerns raised about the access and communication of sensitive information within the Secretariat, IOS coordinated an advisory engagement in collaboration with KMI, HRM and LA to provide short-term pragmatic solutions for improving the security of confidential information. The engagement comprised (i) a diagnostic review of UNESCO’s practices in secured communication, access to sensitive data and authentication, (ii) assessment of good practices used in other organizations and (iii) formulation of agreed action plans to improve security practices, monitoring and guidance. IOS also examined basic controls such as email accesses delegated by users to other staff and use of mobile devices.
### 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property

Part II of the Evaluation of UNESCO’s standard-setting work of the Culture Sector, this evaluation examined the impact of the Convention at the level of policy and legislation, as well as the implementation of the Convention at the national level. The evaluation found that the 1970 Convention is considered by many to be a watershed moment in the fight against illicit trafficking of cultural property and that it continues to be a priority for UNESCO Member States. However, resources allocated to the Convention do not reflect its priority status and ratification rates are still lower than those of the other UNESCO Culture Conventions.

The evaluation report was presented to the second session of the Subsidiary Committee of the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property in July 2014. Decision 2.SC 4 took note of the recommendations and indicated that the Committee shall consider them in its further work. It requested the Secretariat to implement seven of the recommendations, which were addressed to it. The evaluation report will be presented to the Meeting of the States Parties in 2015.

### 1972 Convention concerning the Protection of the World Cultural and Natural Heritage

Part III of the Evaluation of UNESCO’s standard-setting work of the Culture Sector, this evaluation examined the impact of the Convention at the level of policy and legislation. The evaluation found that countries examined have adopted legislation and created institutions dedicated to the conservation and management of cultural and natural heritage. However, it also found that the increasing number of world heritage sites and the diminishing resources available to UNESCO are making direct supervision of the effective implementation of the Convention in domestic law more difficult.

The evaluation report was presented to the 38th session of the World Heritage Committee in June 2014. Decision 2.SC 4 welcomed the recommendations and called upon States Parties and the Secretariat to implement them. Their implementation is therefore currently ongoing.

### 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions

Part IV of the Evaluation of UNESCO’s standard-setting work of the Culture Sector, this evaluation examined the impact of the Convention at the level of policy and legislation. The evaluation found that the 2005 Convention has had a positive impact in some policy areas and in some regions, for instance with regard to strengthening cultural policies and legislation in several countries in Africa, Latin America and Asia. However, its impact has been less visible in other policy areas, such as with regard to cultural policies in Western Europe and North America and that a broader exploration of its implications in policy areas outside culture and economic development is needed.

The evaluation report was presented to the 8th session of the Intergovernmental Committee for the Protection and Promotion of the Diversity of Cultural Expressions in December 2014. Decision 8.IGC 5b took note of the evaluation and its recommendations and invited the Secretariat to update the Committee on their implementation at its next session.

### Final Evaluation of the Madrid Action Plan for Biosphere Reserves

This evaluation assessed overall progress in the implementation of the Madrid Action Plan and generated inputs for the formulation of the future strategy of the Man and the Biosphere Programme and the World Network of Biosphere Reserves. The evaluation found that more than half of the biosphere reserves report activities related to the priority themes of climate change, ecosystem services and urbanization and there is some evidence of biosphere reserves serving as learning and demonstration sites. However, progress has been uneven across the network and across areas of interest, and significant challenges remain.

The evaluation report was presented at the 26th session of the International Co-ordinating Council of the Man and Biosphere Programme (MAB) in June 2014. In the development of the future action plan for the World Network of Biosphere Reserves and the MAB Programme, which will emanate from its new strategy 2015-2025, the Council will take into consideration the recommendations of the evaluation.

### Evaluation of Phase VII (2008-2013) of the International Hydrological Programme

This evaluation was requested by the IHP Bureau suggesting a forward-looking exercise with a focus on water security challenges and opportunities for the future. The evaluation found that overall, IHP-VII has been successful in producing many “action-oriented and policy-relevant” activities and outcomes. The strength of the Secretariat and the Division of Water Sciences lies in enabling and collating rather than conducting original research itself. In this respect, the evaluation confirmed that the IHP effectively “promotes leading edge research”.

Yet, there are many pressing challenges that threaten the performance and sustainability of the Programme.

The evaluation was presented to the IHP Intergovernmental Council by the external evaluator and IOS in June 2014. The IHP Secretariat has provided a management response and an action plan which will be followed up by IOS.

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2 These three evaluations are part of the overall Evaluation of UNESCO’s standard-setting work of the Culture Sector. Cross-cutting findings and conclusions related to this overall evaluation were presented in Annex III of document 194EX/22 – IOS Annual Report 2013.

3 These two evaluations were presented to the Executive Board in document 195EX/5 Part III – Periodic Report on IOS Evaluations.
## ANNEX II

### INDICATIVE WORK PROGRAMMES

#### AUDIT PLAN – 2014-2015

<table>
<thead>
<tr>
<th>Audit Universe</th>
<th>Engagements</th>
<th>Status</th>
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<tbody>
<tr>
<td>Headquarters</td>
<td>Programme and Project Management:</td>
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<td></td>
<td>Science Sector</td>
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<td>Project/Activity Monitoring</td>
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<td>Status of RBB Project</td>
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<td>SHS Sector</td>
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<td></td>
<td>Field Delegations &amp; Accountabilities</td>
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<td>Resource Mobilization</td>
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<td>Compliance with Donor Agreements</td>
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<td>Reporting Partnership Results</td>
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<td>Administration and Services:</td>
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<td></td>
<td>Contracting and Procurement</td>
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<td>Communications Strategy and Framework</td>
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<td>Field Security Coordination</td>
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<td>Administration of the Medical Benefits</td>
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<td>Risk Management Framework</td>
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<td>Information Technology</td>
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<td>Communication and Access of Sensitive Information</td>
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<td>Benchmarking of RBM Applications</td>
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<td>Field Audits</td>
<td>Six Field Offices/Institutes</td>
<td>2014/2015</td>
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<td></td>
<td>Pilot of Additional “Remote” Audits</td>
<td>2015</td>
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<tr>
<td>Other Activities</td>
<td>Internal audit also participates in a range of UNESCO initiatives, committees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and working groups on streamlining work processes, improving knowledge</td>
<td></td>
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<tr>
<td></td>
<td>management and ICT, strengthening cost recovery tools and procedures,</td>
<td></td>
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<tr>
<td></td>
<td>introducing results based budgeting, contracting and investment oversight.</td>
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## UNESCO CORPORATE ROLLING EVALUATION PLAN – 2014-2017

For shaded items, funding has not been secured.

<table>
<thead>
<tr>
<th>Area of Focus</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td></td>
<td>• Technical and vocational education (TVET)</td>
<td>• Regional conventions for higher education</td>
<td>• Mobile Learning (ICT in Education)</td>
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<tr>
<td></td>
<td></td>
<td>• Education for All Global and Regional Coordination Mechanisms</td>
<td>• ASP Network</td>
<td>• Girls’ education</td>
</tr>
<tr>
<td>Natural Sciences</td>
<td>• Madrid Action Plan for Biosphere Reserves</td>
<td>• WWAP (2014-2015)</td>
<td>• International Basic Sciences Programme (IBSP)</td>
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<td>• Science, Technology and Innovation (STI) policy</td>
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<td>• Evaluation of capacity-building mechanisms and instruments (including museums and conventions)</td>
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<td>• Synthetic review and meta-evaluation of completed evaluations</td>
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<td>• IOS Annual Report and periodic report on evaluations completed</td>
<td>• Synthetic review and meta-evaluation of completed evaluations</td>
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1. INTRODUCTION

In the last quarter of 2009 the Oversight Advisory Committee (the Committee) was reconstituted as an initiative of the Director-General, with its Terms of Reference (TOR) approved by the 183rd session of the Executive Board and adopted by the General Conference at its 35th session (35 C/Resolution 101).

Since that time, the Committee has met on a six monthly basis per annum.

In the 2014 year, the Committee met in February and June at the UNESCO Headquarters, Paris.

In accordance with the Committee’s Terms of Reference, the Committee submits this Summary Report to the Director-General of its observations arising from the two meetings held in 2014.

2. SUMMARY OBSERVATIONS

In accordance with the Terms of Reference, the Committee has considered the Standards and Practices applied in respect of UNESCO’s internal audit, evaluations, investigations, risk management, ethics and financial control functions.

The Committee provides the following observations in respect of the 2014 year:

- UNESCO’s internal audit, evaluations and investigations functions continued to be, in the opinion of the Committee, performed to a high standard. The processes applied by these oversight functions are consistent with currently accepted Standards of good practice. However, the Committee considers that UNESCO’s assurance processes (internal audit, evaluations, external audit and financial compliance) would benefit from coordinated periodic reporting to UNESCO senior management of the status of implementation of recommendations (recommendations included in reports from internal audit, external audit, evaluations, and financial compliance). The Committee considers there should be a greater level of visibility, accountability and responsibility for the implementation of these recommendations. The Committee considers that periodically the Director-General could request management to provide formal responses to her of action being taken to address outstanding recommendations.

- The Committee recommends that consideration be given to the positioning of the evaluation function within UNESCO in 2014 and beyond.

- The Committee noted the current resourcing of the Internal Oversight Service (IOS) and considered that the current number of staff and the mix of skills and experience was the minimum that UNESCO requires to maintain an effective oversight service. The Committee suggests that there be a focus on the recruitment to fill current approved vacant positions with resources with the appropriate skills and experience necessary for those roles. In addition, the Committee suggests that there be succession/contingency planning for members of senior management of the IOS team and monitoring of the number of staff and the mix of skills and experience required to maintain the effectiveness of the IOS function. The Committee would be very concerned if resourcing of the IOS function is further reduced from current levels. In the Committee’s opinion, the effectiveness of IOS would be significantly and adversely affected by a reduction in resourcing (headcount as well as funding of travel and consultancies).
The Committee noted that much progress has been achieved in the implementation of the recommendations adopted by the Executive Board in 2011 arising from the Independent External Evaluation (IEE) of UNESCO. However, the Committee noted that few of the recommendations in the IEE relating to governance had yet to be implemented. The Committee considers that the implementation of these recommendations is very important for UNESCO and would be concerned if the recommendations are not addressed in 2015. The Committee noted that the external auditor has been engaged to undertake a review of the governance processes of UNESCO and supports such an initiative, and recommends that the external auditor review includes consideration of relevant recommendations in the IEE.

The Committee noted that following the 36th session of the General Conference, UNESCO has implemented a number of changes in response to the decline in the organization's budgetary funding, and that the Executive Board has considered how UNESCO's priorities will be addressed as a result. These circumstances will require the UNESCO Secretariat to embark on a period of change and accordingly effective project management and change management will be critical to the organization. The Committee suggests that UNESCO senior management consider whether the Change Management Committee composition and functions will be able to provide the necessary support and oversight for the changes likely to be required within the organization. The Committee further suggests that there may be benefit in the Change Management Committee accessing more advanced change management skills. The Committee considers that in the absence of an effective change management process that necessary change within UNESCO will be at risk of not occurring and/or not occurring on a timely basis.

The SISTER system is an important tool to support the project management, reporting and monitoring of UNESCO activities and initiatives. The Committee supports the continued attention of the Internal Oversight Service and of management to programme and project monitoring and notes that, whilst the Committee has observed progress in how SISTER is utilized by UNESCO, there is a risk that it remains primarily a tool utilized to report activities rather than as a key project and risk management system.

The Committee observed that UNESCO’s enterprise risk management framework and processes would benefit from a review and revision of the manner it is operating. The risk management framework has been developed at a project level in 2014 however the enterprise-wide framework and processes have not been as effective as they could be.

2.1 ACHIEVEMENTS AND AREAS OF ONGOING OVERSIGHT

Evaluation Section:

Accomplishments

Since the OAC’s first report in February 2011, the Committee has noted the progress in UNESCO’s evaluation culture and an increasing positive perception of the value of the work of the evaluation function, due partly to the quality of its reports and partly to its involvement in the IEE and subsequent IEE follow-up.

Annual plans prepared by the evaluation function have been sound and in line with UNESCO's risks and priorities. Over the last couple of years, a number of strategically significant evaluations have been undertaken, such as the evaluations of UNESCO’s Priority Africa, of UNESCO Priority Gender Equality, of UNESCO’s standard-setting work of the Culture Sector (jointly with the Audit Section), and the evaluation of category 1 education institutes. In line with the current UNESCO policy results-based management, an evaluation of result-based reporting is also under way.
Future challenges and recommendations:

- With regard to the issue of monitoring and reporting of management responses and the implementation of evaluation recommendations, the Committee had recommended that regular sector reports from ADGs to the Director-General include comments on the status of implementation of evaluation recommendations. The Committee agreed with the evaluations function that in future reports evaluation recommendations would benefit from being more specific and measurable (applying the generally accepted “SMART” principles). The evaluation function is in the process of defining a new evaluation policy which will be finalized by early 2015. The new evaluation policy will at the same time serve as a basis for an update of the 2007 Evaluation Handbook, as was required by the Committee. The Committee also recommends that the revised evaluation policy include guidelines to strengthen self-evaluation throughout the organization, and that it be reviewed by the OAC.

- The Evaluation Performance Matrix (a self-assessment tool for the evaluation function) drafted in 2011 has not yet been fully developed and tested because of resource constraints. The Evaluation Performance Matrix will be completed in 2014/2015.

- The Committee recommends that a feasibility study be carried out in order to assess advantages and disadvantages of the establishment of a separate evaluation function with its own management being distinct from IOS. Following the governance structure of similar organizations, such an independent and separate evaluation function would continue to report directly to the Executive Board or sub-committee of the Board.

**Internal Audit:**

Accomplishments

- At least every five years, a quality assessment of the internal audit function is undertaken, comparing the function against the Standards promulgated by the Institute of Internal Auditors. The most recent self-assessment (2011) was independently validated which concluded that “… IAS generally conforms to the International Standards for the Professional Practice of Internal Auditing. This is the highest available rating as per the IIA methodology”. The Committee observed that all of the recommendations arising from the Independent Validation had either been completed or are in progress.

- The Committee has been pleased to observe that the biennial internal audit plan continues to be risk-based, including consultations with key stakeholders and systematic identification of organizational risks, and focused to provide broad assurance on the functioning of operational, financial and programmatic controls. The Committee also noted that a number of audits have been coordinated and, in some instances, jointly resourced by internal audit, evaluation function and external audit. Such an approach, in the opinion of the Committee, can positively contribute to the efficiency and effectiveness of UNESCO’s assurance activities.

- The Committee continues to recommend internal audit to present to the management and the Executive Board a listing of potential audits of risk areas that would be recommended to be undertaken but cannot as a result of budgetary constraints. This will allow relevant stakeholders to consider the priorities of the internal audit function as well as the risk exposures for UNESCO.

- The Committee has been pleased to observe that internal audits have increasingly focused on the efficiency of areas/functions reviewed as well as effectiveness, and that the function is aiming to provide the organization with an overall assessment/opinion of
the control environment in the future. In this regard, internal audits have covered a balanced range of business processes and entities as well as specific programmes, partnerships and projects. Internal audit intends in the future on providing a comment on the Statement on Internal Controls coordinated by the Bureau of Financial Management. The Committee supports such an initiative.

- The Committee viewed positively the quality of reviews undertaken during the 2014 year in the context of the fiscally constrained environment. The Committee observed, though, that the internal audit function has a reduced capacity under the current budget constraints to respond to ad hoc management requests and is concerned that the internal audit function is currently operating with the minimum number of resources (number, skills and experience) to provide UNESCO with the most appropriate level of assurance.

- The Committee noted, and congratulated internal audit, on continuing to receive high client survey scores, which reflects confidence and trust in the function.

- The Committee recognizes IOS’ systematic follow-up of open audit recommendations and endorses the initiative of periodically communicating high-priority recommendations to the Risk Management Committee to strengthen the process and monitoring of managing key operational, financial and compliance risks. However, refer to earlier comments in this report regarding the Committee’s strong opinion that further visibility and accountability is required in respect of reporting and implementing outstanding assurance provider recommendations.

- The Committee suggests that, to further promote a strong control environment, the internal audit function could issue periodic newsletters which include internal audit's observations of lessons learned, better practices, etc.

- The Committee recommends that the Bureau of Financial Management, which has the responsibility for the coordination of a Statement on Internal Controls, would benefit from ongoing involvement/assistance from internal audit to further enhance and promote this important aspect of UNESCO’s control environment.

- The Committee recommends that given the current budget constraints that future internal audit plans include an analysis of what audits are proposed to be undertaken within the current resourcing availability of the internal audit function, together with what additional audits would be beneficial should internal audit resourcing return to levels similar to previous years.

- **Investigations Unit:**

  Accomplishments

  - The Committee noted the change in resourcing of the investigations unit in 2014 (the change being that the sole officer within the investigations unit, an experienced investigator, was replaced by two officers with less experience in investigations. In 2014, one of the replacements transferred out of the investigations unit) and concurred with the then Director of IOS taking a greater role in the oversight of the work performed by that unit in the context of the current resourcing of this function.

  - The investigations unit applies internationally recognized investigation principles and engages internal and external resources where appropriate.
Future challenges and recommendations

- The Committee recommends that the resourcing of the investigations unit be considered by the incoming Director of IOS, specifically whether the Director will continue to have a more extensive role in the oversight of work performed by the unit.

- **Risk Management:**
  
  - The Committee considered the functioning and accomplishments of the Risk Management Committee which was re-established in 2011, as well as the number and level of risks that have been addressed/not addressed. The Committee also considered the integration of Risk Management principles into the Organization’s processes.
  
  - The Committee noted that positive progress had been made in further developing and enhancing the Organization’s risk management processes in the context of projects, including the requirement for specific consideration of risk in project proposals, and the introduction of risk management processes to field offices.
  
  - The Committee considered that risk is increasingly incorporated into UNESCO’s business processes, however the enterprise-wide risk management framework and processes are not operating as effectively as they could be. UNESCO would benefit from a review and revision of enterprise-wide risk management processes (including the operations of the Risk Management Committee).
  
  - The Committee noted that the Executive Board is not provided with the Secretariat’s risk profile. This may be worth considering in the future.
  
  - While the Committee primarily focuses on UNESCO’s processes to identify and manage risks, the Committee has noted that one of the key financial risks for the Organization is how to address the funding of long-term employee obligations. The Committee discussed with the Chief Financial Officer the current financial position of UNESCO and the significant unfunded employee-related liabilities. There is a risk that in the absence of a plan to address the ongoing funding of these liabilities that the external auditor may find it increasingly challenging to provide an unmodified audit opinion.

- **Ethics Function:**
  
  - The Committee noted the resourcing of the ethics function for the majority of 2014 was half the budgeted resourcing (mostly one officer in the role rather than the budgeted two).
  
  - In the future, the Committee suggests that efficiencies may be achieved through delivering training via online means.
  
  - The Committee supports the Ethics Function’s work to prepare a policy for the declaration of interests and financial disclosures.
  
  - There appears to be a good working relationship between IOS and the Ethics Function as well as between the Ethics Function and the Human Resources division.

- **Internal Controls:**
  
  - An unqualified opinion has been issued by the external auditor on UNESCO’s most recent IPSAS-compliant financial statements. The Committee commends UNESCO in achieving this very positive outcome.
• The Committee noted the progress made in further developing the process for the Statement on Internal Controls (control self-assessment process) including the progress to simplify, automate and utilize the process to further promote and embed a culture of control consciousness. However, the Committee also observed that the self-assessed ratings assigned may, in some cases, be optimistic.

• The Committee is concerned that field office internal control environments are at risk of deterioration as a result of a number of field office administration roles being vacant for reasonable periods of time and a reduction in the number of internal audit and evaluation on-site visits due to funding constraints.

• The Committee supports the current focus of BFM on the reviews of the delegations of authority, consistency and effectiveness of the same and required training and awareness.

• The Committee noted that there are currently a significant number of outstanding recommendations arising from the external audit process and that focus would be required to review the status of these.

• The Committee met with the incumbent External Auditor and welcomed the comments made by the Auditor in respect of the UNESCO internal control environment.

2.2 OTHER ONGOING OVERSIGHT ACTIVITIES BY THE COMMITTEE

• In accordance with Article 7 of the Committee's Terms of Reference, the Committee considered its effectiveness in discharging its duties. The Committee considered that for the preceding year it had been reasonably effective in discharging its duties.

• The Committee notes that all Committee members retired from the Committee in mid-2014. Ms Hilary Wild was appointed in 2014 as a new member of the Committee with additional new members appointed in late 2014/early 2015.

• The Committee noted that its current Terms of Reference has been in place for four years. The Committee considers that it would be appropriate for the Terms of Reference to be reviewed to consider whether the Terms of Reference continues to meet the needs of UNESCO as well as recent trends in United Nations governance frameworks. Specific suggestions were put forward and shared with the Director-General and with the Executive Board in this regard.

3. CONCLUSION

The Committee was pleased to note the progress achieved in the development of UNESCO’s internal audit, evaluations, investigations, risk management, ethics and financial control systems and processes and looks forward to assisting the Director-General in fulfilling her governance responsibilities in 2015.

The Committee thanks the Internal Oversight Service and senior management including the Director-General and the Deputy Director-General, for the briefings, active participation and cooperation during the meeting to support the Committee in discharging its responsibilities.

Members of the Committee in 2014:

Mr Kwame AKUFFO-AKOTO
Mr Mitchell C. PETRIE, Chairman of the Committee
Ms Claudine VOYADZIS
ANNEX IV

REVISED TERMS OF REFERENCE OF THE OVERSIGHT ADVISORY COMMITTEE

STATUTES AND TERMS OF REFERENCE FOR THE UNESCO OVERSIGHT ADVISORY COMMITTEE

Article 1

The Oversight Advisory Committee, referred to as “the Committee”, is hereby established within the United Nations Education, Scientific and Cultural Organization, referred to as “the Organization” or “UNESCO.”

Article 2 – Purpose

1. The Committee shall operate in a purely an advisory capacity to the Director-General of the Organization to assist him/her in fulfilling his/her oversight responsibilities, including internal audit, evaluation, investigation and with regard to the effectiveness of risk management, internal control, and other systems, policies and procedures as well as internal oversight-related matters with respect to the Organization’s operations.

2. The Committee shall function as a standing committee.

3. The Committee shall not encroach on the functions and responsibilities of any existing oversight entities of the Organization.

Article 3 – Responsibilities

The responsibilities of the Committee are:

Internal oversight

1. Advise on the overall role and effectiveness of the Internal Oversight Service (IOS) and its strategies, priorities and work plans and make suggestions regarding risk management, suggest potential areas to address the Organization’s risks and strategic opportunities.

2. Review and discuss with management the internal control and risk management issues that may arise from Internal Oversight Service oversight activities, audits, evaluations and investigations.

3. Review and advise on the Internal Oversight Service charter, authority, operational independence and the required resources for IOS to carry out effectively its IOS responsibilities.

4. Advise on the implementation by management of Internal Oversight Service recommendations.

4. Advise on the selection processes for the Director of IOS, heads of internal audit, evaluation and investigations.

5. If so requested by the Executive Board, advise on the selection of the external auditor.
More specifically:

**Internal Audit**

6. Advise on the assurance strategy, plans, quality assurance and related matters of the internal audit function including the implementation by management of IOS internal audit recommendations.

**Evaluation**

7. Advise on the adequacy of IOS Evaluation Office policies, strategies and work plans and on the implementation by management of evaluation recommendations;

**Investigations**

8. Advise on the adequacy of IOS investigative work and application of professional standards; advise on the implementation of investigations reports;

**Risk management Management of risk**

9. Review and discuss with management the Organization’s policies and practices with respect to risk assessment, risk management and internal control systems.

10. Advise the Director-General on the quality and overall effectiveness of risk management policies and procedures.

**Internal controls**

11. Advise management on potential weaknesses in the internal control framework of the Organization system of UNESCO.

12. Review and discuss with management the policies with a significant impact on significantly impacting accounting and financial reporting issues, the use of resources and the effectiveness of the Organization’s internal controls.

13. Stay informed on the plans and of the reports by of the External Auditor and the state of implementation of his/her recommendations.

**Article 4 – Access**

The Committee may request:

1. Through the Director-General, all information and/or documents necessary for the discharge of its responsibilities.

2. To meet individually the Director-General, the Deputy Director-General, the Director of the Internal Oversight Service, the Controller, Chief Financial Officer and other senior managers in private meeting sessions.

**Article 5 – Membership**

1. The Committee shall be composed of five members appointed by the Director-General.

2. The members, all of whom shall be external to and independent of the Organization, shall reflect the highest level of integrity and professionalism and shall serve in their private capacity. In performing their duties, they shall not seek or receive instructions from any Government. They should not have had a staff and/or consultancy position with the Organization’s Secretariat for a
consecutive five-year period prior to their appointment and shall not hold any position or engage in any activity that could impair their independence, in fact or in perception, from the Secretariat or from companies that maintain a business relationship with the Organization, while serving on the Committee.

3. The members of the Committee must have the skills, knowledge and experience required to fulfil their responsibilities. In particular, they must have recent and relevant senior-level managerial, financial, audit, evaluation and/or other oversight-related experience and competencies, including:

   (a) experience of in preparing, auditing, analysing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues faced by the Organization, including an understanding of relevant accepted accounting and auditing principles and international standards;

   (b) an understanding of and, if possible, relevant experience in the inspection, monitoring and evaluation and investigative processes;

   (c) an understanding of internal control and risk management policies and procedures;

   (d) a general understanding of the Organization and of the structure and functioning of the United Nations system;

   (e) at least one member should be a professionally qualified accountant, auditor or finance professional and at least one other should be an evaluation expert.

4. Each member shall serve for a period of two years, renewable once only for the second and final term of two years after the initial term, on a phased basis so as to provide continuity. In the event of resignation, incapacity, death or any other circumstance in which the term of office of a Committee member is cut short, the Director-General shall appoint a replacement for the remainder of that member’s his or her term of office.

5. The appointed Committee members shall elect their own Chairperson from within their number to serve for the duration of his/her term of office. If the Chairperson is unable to attend a meeting, the members present shall elect an Acting Chairperson for that meeting from among themselves.

6. Former officials of the Organization shall not be eligible for appointment to the Committee for five years following their separation from service. The members of the Committee shall not be eligible for appointment to the Organization for five years following the expiry of their terms of office.

Article 6 – Meetings

1. The Committee shall meet at least once a year. The Director-General, Chairperson, any Committee member and/or the Director of the Internal Oversight Service may request additional meetings. It is expected that members will be present for meetings. Meetings may be conducted by videoconference.

2. Three members shall constitute a quorum. Members may not be represented by an alternate.

3. Provisional agendas are prepared by the Committee's secretariat in consultation with the Chairperson. The Chairperson will approve the provisional agenda of the meeting, which should be circulated together with the invitations at least 14 days prior to the date of the session. The supporting documents will be circulated to Committee members at least seven days prior to the date of the session.
4. The Committee shall function on the basis of consensus. When this is not possible, a vote shall be taken; voting will be used and should the votes be equally divided, the Chairperson shall have the casting vote. Dissenting opinions may be attached to any report if those in dissent so desire.

5. The Director of the Office of the Director-General (ODG) and the Director of the Internal Oversight Service may attend Committee meetings. The Comptroller Chief Financial Officer and other management representatives may attend the meetings or parts of the meeting as requested by the Committee or its Chairperson.

6. The Director of the Internal Oversight Service and the Comptroller Chief Financial Officer shall have unrestricted and confidential access to the Chairperson of the Committee.

**Article 7 – Recommendations and reporting**

1. After each session, the Committee shall submit to the Director-General a report on its work and recommendations.

2. The Committee shall also submit to the Director-General an annual summary report on its activities, issues and results, including on its own effectiveness in discharging its duties, for transmittal to the Executive Board, with the Director-General’s comments thereon.

3. The Chair of the Committee may be present in the session of the Executive Board or of the relevant subsidiary body for the presentation of the Committee’s annual summary report.

**Article 8 – Secretariat support**

The secretariat service for the Committee shall be provided by the Internal Oversight Service.

**Article 9 – Status of members**

Members shall act in an independent, non-executive capacity with no managerial powers while fulfilling these terms of reference. As such, members shall not be held personally liable for decisions taken by the Committee acting as a whole.

**Article 10 – Fees and costs**

1. Members shall not receive remuneration for their services.

2. The members of the Committee shall receive a daily subsistence allowance and shall be reimbursed in line with the standard Organization entitlement for travel expenses incurred in attending the sessions of the Committee.

**Article 11 – Confidentiality of meetings and minutes**

1. All members of the Committee shall sign a statement of confidentiality at the time of appointment.

2. The deliberations of the Committee and the minutes of its meetings are confidential unless otherwise decided. The documents and informational material circulated for consideration by the Committee shall be used solely for that purpose and treated as confidential.

**Article 12 – Disclosure of conflicts of interest**

Where an actual or potential conflict of interest arises during the conduct of a meeting, the interest will be declared and the member(s) will be excused from the discussions and will abstain from voting on the matter.
## Review of Long-Term Agreements in procurement in the United Nations system (JIU/REP/2013/1)

- This study evaluated the relevance, efficiency and effectiveness of the use of long-term agreements (LTAs) in the United Nations system (i.e., assessment of existing policies, practices, types of LTAs, their advantages and disadvantages, and the level of collaboration through LTAs among United Nations organizations).

- The study proposed possibilities for enhancing inter-agency collaboration with regards to LTAs with the aim of improving procurement efficiency throughout the United Nations.

- Five recommendations have been addressed to UNESCO, four of which have been implemented by ensuring that the Administrative Manual and internal procedures reflect best practices. Implementation of the remaining recommendation is in progress.

## Selection and appointment process for United Nations Resident Coordinators, including preparation, training and support provided for their work (JIU/REP/2013/3)

- The JIU assessed the operation of the current selection and appointment process of the United Nations Resident Coordinators (RCs) and the effectiveness and efficiency of the related institutional support mechanisms.

- The report made recommendations to initiate improvements in the selection and appointment process of the RC and to promote ownership of the RC system.

- Two recommendations have been addressed to UNESCO, one of which has been implemented through UNESCO’s participation in the relevant CEB mechanisms. The implementation of the remaining recommendation is in progress.

## Review of the management of implementing partners in United Nations system organizations (JIU/REP/2013/4)

- The inspectors reviewed methods currently used to select and manage implementing partners (IPs) and to find common elements and challenges, as well as identify and disseminate good practices in order to harmonize methods and help organizations gain in efficiency. The review found that a number of organizations have ad hoc and incoherent approaches in engaging with IPs, lack a strategic framework for partnering and there is limited or no sharing of information and cooperation among the United Nations system organizations related to IPs at the country and headquarters levels.

- The review recommended that IP-related policy and management issues become a regular agenda item of the CEB and its three pillars (UNDG, HLCM and HLCP). Similarly, it called for procedures to be established at the country office level for sharing IP-relevant information among organizations.

- Eleven recommendations have been addressed to UNESCO, eight of which have been implemented by ensuring that internal procedures reflect best practices. The implementation of the remaining recommendations is in progress.
## An analysis of the resource mobilization function within the United Nations system (JIU/REP/2014/1)

- The JIU examined the status of resource mobilization in United Nations system organizations and identified good practices.

- The review identified a need for sustained and purpose-oriented dialogue between United Nations system organizations and their donors to consider, discuss and agree on practical solutions for a host of issues, such as flexible use of earmarked resources; the cost of additional reporting; the single audit principle versus verification missions; external assessments versus the oversight functions of the entities; developing a standardized template for reporting to donors which seeks to accommodate most donor requirements, but at the same time, can be flexible enough to be adapted by different entities; and arrangements for the sharing of risks arising from operations in fragile contexts.

- Four recommendations have been addressed to UNESCO and are currently under consideration.

## Capital/refurbishment/construction projects across the United Nations system organizations (JIU/REP/2014/3)

- This study identified key lessons learned from capital/refurbishment/construction projects across United Nations system organizations, with the objective of disseminating best practices. As a conclusion, only a few organizations had started taking into account their overall global needs for construction and refurbishment of buildings and their systems so that they may plan and prioritize projects accordingly. The projects reviewed had been planned individually and not as a part a comprehensive strategy. The study also presented key lessons learned from capital/refurbishment/construction projects across the United Nations system organizations.

- The report recommended best practices that could apply during the different phases of the life cycle of all projects (pre-planning, planning, executing and completing) irrespective of their location, scale and type. The Inspectors welcomed the establishment of capital master plans that forecast the organizations’ long-term refurbishment/construction needs as a standard good practice within the United Nations system.

- Three recommendations have been addressed to UNESCO and are currently under consideration.

## Post-Rio+20 review of environmental governance within the United Nations system (JIU/REP/2014/4)

- This review identified measures to promote coordination, coherence and synergies between multilateral environmental agreements (MEAs) and the United Nations system, thus increasing the contribution made by the United Nations system towards a more integrated approach to international environmental governance (IEG) and management at national, regional and international levels.

- The Inspector noted that inter-agency coordination and cooperation have increased, with various working arrangements and memorandums of understanding; however, they are not always formally approved by legislative bodies and Member States or systematized across the system. Moreover, there is no reliable and consistent reporting of statistics on financial and service resources allocated to those activities. No established transparent procedures are in place to report on those expenditures in a manner that would pave the way for more
efficient allocation of resources.

- Three recommendations have been addressed to UNESCO and are currently under consideration.

### Assessment of the United Nations’ evaluation function (JIU/REP/2014/6)

- This study presents a comprehensive analysis of the evaluation function covering 29 United Nations system organizations. It assesses the critical components that define a relevant, independent and credible evaluation function, the level of readiness of the function for emerging changes and challenges and the enabling factors that support the function. The study focused primarily on the central and secondarily on the decentralized evaluation function.

- The study found that the central evaluation function has grown through the years striving for quality and efficiency, but the level of commitment to evaluation across the United Nations system is not commensurate with the growing demand and importance of the function. The quality of evaluation systems, mechanisms, and outputs vary across the organizations. In most cases the level of advancement is affected by the size of the organization, the resources committed to evaluation and the structural location of the function.

- Key recommendations of this report are being reflected in UNESCO’s new Evaluation Policy.

### Use of retirees in the United Nations system (JIU/NOTE/2014/1)

- This review delivers a system-wide comparative analysis of overall policies and practices based on the actual, versus the desirable, use of staff retained and retirees rehired and identifies commonalities and differences, as well as good practices that could be replicated and harmonized across the system.

- The review found that a significant proportion of retirees have been retained beyond the mandatory age of separation and/or rehired, although not all organizations resort to this practice to the same extent. While allowing organizations to benefit from a wealth of knowledge and experience to deliver the programme objectives in a more flexible and effective manner, this practice has an adverse impact on workforce rejuvenation and career development of staff at organizations where the age structure is old and there is a need for fresh talent.

- Three recommendations have been addressed to UNESCO and are currently under consideration.