



## **INTERNAL AUDIT DIVISION**

### **REPORT 2024/039**

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#### **Audit of the United Nations Institute for Training and Research**

**Policy gaps in integrity and ethics as well as  
delegation of authority need to be addressed,  
and management of implementing partners  
needs to be strengthened**

**13 August 2024**

**Assignment No. AE2022-381-01**

# **Audit of the United Nations Institute for Training and Research**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Institute for Training and Research (UNITAR). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes pertaining to human resources management and engagement with implementing partners in UNITAR. The audit covered the period from 1 January 2021 to 31 December 2023 and included a review of risk areas pertaining to: (a) human resources management policy framework; and (b) selection and management of implementing partners.

The human resources management policy framework was well documented and disseminated; the policy and operational framework for implementing partners was regularly reviewed and updated. However, the audit showed that there were policy gaps in integrity and ethics as well as delegation of authority that need to be addressed, and the management of implementing partners needs to be strengthened.

OIOS made six recommendations. To address the issues identified in the audit, UNITAR needed to:

- Establish timelines for finalizing the update of the policy framework on integrity and ethics issues; and consider adopting the staff engagement survey as a feedback mechanism;
- Ensure that authority delegated to directors, programme managers and heads of outposted offices is delegated and accepted in writing as required; and address the authority and arrangements for approving outside activities in its administrative circular on delegation of authority;
- Require Division directors to establish monitoring mechanisms to ensure that all staff and non-staff personnel undertake the required mandatory training within established timelines;
- Address the improper alteration of an implementing partner agreement and related financial and narrative reports noted during the audit by: (a) establishing accountability for the anomalies; (b) clarifying with the concerned implementing partner the use of any unused funds before the grant closure form is signed; and (c) ensuring adequate segregation of duties in handling the issuance and receipt of agreements and financial reports to and from implementing partners;
- Improve review mechanisms to ensure that budgets are supported with well-explained unit costs and quantities; establish a maximum threshold for programme support costs and encourage the use of a lump sum rate for more efficient monitoring; and implement appropriate reporting and monitoring practices in cases where equipment purchases are beyond an established threshold; and
- Revise the implementing partner performance evaluation template to include a section for evaluating compliance with reporting requirements.

UNITAR accepted the recommendations and has initiated action to implement them. Actions required to close the open recommendations are indicated in Annex I.

# CONTENTS

I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	1-2
III. AUDIT RESULTS	2-8
A. Human resources policy framework	2-4
B. Implementing partners - selection and due diligence	4
C. Implementing partners - reporting and monitoring	4-8
IV. ACKNOWLEDGEMENT	8
ANNEX I	Status of audit recommendations
APPENDIX I	Management response

# **Audit of the United Nations Institute for Training and Research**

## **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Institute for Training and Research (UNITAR).
2. UNITAR was established in 1963 by the General Assembly with the purpose of enhancing the effectiveness of the United Nations through appropriate training and research. Its mission is to empower individuals, governments and organizations through knowledge and learning to effectively overcome contemporary global challenges.
3. UNITAR's strategic framework for 2022 to 2025 had five objectives: (i) to promote peace and just and inclusive societies; (ii) to promote people's well-being and support equitable representation of countries in global decision-making; (iii) to support the conservation, restoration and safeguarding of the planet for present and future generations; (iv) to promote inclusive and sustainable economic growth; and (v) to promote the indivisible and integrated nature of the 2030 Agenda.
4. UNITAR is governed by a Board of Trustees appointed by the Secretary-General in consultation with the president of the General Assembly and the Economic and Social Council. The Board formulates principles and policies for its operations and approves the work programme, budget, structure, and composition of staffing.
5. UNITAR is headed by an Executive Director at the Assistant Secretary-General level. It had six substantive divisions and two support divisions. For 2022-2023, UNITAR had a budget for 85 posts at a total cost of \$30 million.
6. UNITAR is fully financed by voluntary contributions from United Nations Member States, United Nations agencies, international and intergovernmental organizations, foundations, non-governmental organizations (NGOs), and the private sector. The total budget for 2022-2023 was \$73 million.
7. Between January 2021 and October 2023, UNITAR signed implementing partner agreements with a total grant budget of approximately \$18 million.
8. Comments provided by UNITAR are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

9. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes pertaining to human resources management and engagement with implementing partners in UNITAR.
10. This audit was included in the 2023-2024 risk-based work plan of OIOS due to financial and operational risks associated with the implementation of UNITAR's mandate.
11. OIOS conducted this audit from January to May 2024. The audit covered the period from 1 January 2021 to 31 December 2023 and included a review of risk areas pertaining to: (a) human resources management policy framework; and (b) selection and management of implementing partners.

12. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) sample testing.

13. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

### **III. AUDIT RESULTS**

#### **A. Human resources policy framework**

The policy framework on human resources was well documented and disseminated

14. In accordance with its Statute, UNITAR was governed by the United Nations Staff Regulations and Rules in the recruitment and management of its staff. UNITAR had also established a clear policy framework on human resources management comprising of its own administrative circulars and the United Nations administrative issuances (administrative instructions and Secretary-General bulletins) it had adopted. The administrative issuances were disseminated through the UNITAR intranet, categorized by focus areas. Comparison of the UNITAR policy framework with that of the United Nations Secretariat showed that the administrative issuances in the areas of recruitment, classification of posts, and benefits and entitlements covered all key areas necessary to operationalize the Staff Regulations and Rules. However, there were some gaps in the design and implementation of the policies and procedures relating to ethics and integrity issues and delegation of authority, as discussed below.

Need to establish timelines for finalizing the update of the policy framework on integrity and ethics

15. In 2023, UNITAR rescinded its Ethics and Oversight Committee due to limitations in its effectiveness and established transitional arrangements whereby the Executive Director would be responsible for receiving all reports on alleged misconduct and deciding on the appropriate course of action. At the time of the audit, UNITAR was in the process of updating its policy framework on integrity and ethics to address the gaps caused by the rescission of the Ethics and Oversight Committee. UNITAR indicated that it intended to fully adopt the United Nations Secretariat's policies and procedures tailored to its situation. However, the timelines for finalizing the update had not been defined.

16. OIOS' review of the policy framework showed that UNITAR had already adopted most of the United Nations administrative issuances on integrity and ethics in its current policy framework. This included the administrative instruction on unsatisfactory conduct, investigations, and the disciplinary process (ST/AI/2017/2 Rev.1), and the Secretary-General's bulletins on discrimination, harassment, and abuse of authority (ST/SGB/2019/8 and ST/SGB/2008/5). These administrative issuances allowed UNITAR staff and non-staff personnel to report issues directly to the OIOS Investigations Division. Mandatory training and leadership dialogues were in place to facilitate staff understanding of the policies and procedures for reporting alleged misconduct.

17. However, UNITAR had not adopted the Secretary-General's bulletin on staff-management consultation machinery (ST/SGB/274) or issued its own administrative circular on this issue. UNITAR had also not conducted staff engagement surveys in many years. In the absence of a policy on staff-management consultations, staff engagement surveys could be an important tool for UNITAR to facilitate engagement between staff and management and provide a more holistic view of staff issues and concerns. The results of such surveys could also provide an objective basis for developing an action plan to address the issues and concerns identified.

**(1) UNITAR should: (a) establish timelines for finalizing the update of the policy framework on integrity and ethics issues; and (b) consider adopting the staff engagement survey as a feedback mechanism.**

*UNITAR accepted recommendation 1 and stated that the Office of the Executive Director deployed a staff engagement survey in June-July 2024 and was in the process of compiling the results.*

Need to improve the documentation of authority delegated to senior managers and heads of field offices

18. UNITAR had established its own delegation of authority framework that included a sub-delegation structure as outlined in administrative circular AC/UNITAR/2023/07. However, in practice, the authority delegated to directors, managers, or programme managers was not established in writing as required by the administrative circular. Formal acceptance of delegated authority by staff is an important aspect of the accountability framework which UNITAR needs to adopt.

19. In addition, authority delegated to heads of outposted offices beyond their roles as programme managers was not clearly documented. Only the Bonn office had a memorandum from the Executive Director to the Head of Office outlining authority delegated in 13 areas, and a comment that for all other functions, the administrative circular on delegation of authority applied. The Hiroshima office and the New York office did not have such delegation of authority memoranda.

20. Further, the authority for approving outside activities was not covered in the administrative circular on delegation of authority. UNITAR indicated that this authority is retained by the Executive Director. This is an important area that should be explicitly addressed in the administrative circular to help ensure that staff and management are aware of the need to obtain approval for outside activities. In the review of implementing partners, OIOS noted one case where staff were involved in the board of an NGO that UNITAR had engaged as an implementing partner, but there was no evidence that this outside activity had been formally approved.

**(2) UNITAR should: (a) ensure that authority delegated to directors, programme managers and heads of outposted offices is delegated and accepted in writing as required; and (b) address the authority and arrangements for approving outside activities in its administrative circular on delegation of authority.**

*UNITAR accepted recommendation 2.*

Need to improve compliance with mandatory training

21. UNITAR had established 10 mandatory trainings that all staff and non-staff were required to undertake within three months of joining the organization. Responsibility for overseeing compliance with the mandatory training was decentralized to the Divisions. OIOS' review showed that only two Divisions had 100 per cent compliance with mandatory training. Three Divisions (Division for People, Division for Prosperity, and Division for Satellite Analysis and Applied Research) had low compliance rates of 40, 63 and 52 per cent, respectively. Mandatory training needs to be completed to ensure that staff and non-staff personnel are conversant with the Organizations' standards of conduct and behaviour.

**(3) UNITAR should require Division directors to establish monitoring mechanisms to ensure that all staff and non-staff personnel undertake the required mandatory training within established timelines.**

*UNITAR accepted recommendation 3 and stated that it is developing an information technology tool to monitor staff and non-staff personnel's compliance with mandatory training requirements.*

## **B. Implementing partners – selection and due diligence**

### UNITAR regularly reviewed and updated its policy and operational framework for implementing partners

22. UNITAR had over the years made improvements to its policy and operational arrangements for selection and management of implementing partners based on oversight recommendations and experience. In 2023, UNITAR issued a new administrative circular (AC/UNITAR/2023/02) which introduced several changes to the 2021 policy, including improvements in the competitive selection procedures, changes in due diligence assessment requirements, improvements in reporting requirements, and introduction of spot checks and verifications. In addition, UNITAR established the Partnerships and Grants Oversight Unit in 2023, and in 2024 issued guidelines on assurance activities for grants awarded to implementing partners (AC/UNITAR/2024/02). The guidelines addressed the division of roles and responsibilities between programme managers and the Partnerships and Grants Oversight Unit in their oversight activities.

### Corrective action was taken to improve the documentation for selecting partners without competition

23. The criteria for issuing grant awards to implementing partners without competitive selection (direct grant awards) was broad. All the 30 implementing partners reviewed by OIOS were selected without competition because they were included in the project document and/or donor agreement. The rationale for direct grant awards needs to be documented and approved to ensure transparency in the selection process.

24. From 2023, UNITAR introduced a new control that required proposals for direct grant awards to be submitted using a 'Direct Grant Award Form' signed by the Division director. OIOS' review of 12 such forms showed that there was limited value added by its use. Details of how the implementing partner was identified, and the rationale for direct grant award were not addressed in the Form. The Form also allowed for multiple selections which in some cases led to project managers picking contradictory options that did not clearly communicate who made the decision to select the implementing partner (UNITAR or the donor). UNITAR acknowledged the shortcomings and took action to redesign the form to address the gaps noted.

## **C. Implementing partners – reporting and monitoring**

### Need to strengthen arrangements for handling communications with implementing partners

25. OIOS contacted five implementing partners to verify a sample of expenditure reported in their financial reports. In two cases, the implementing partners provided the required supporting documentation, and no significant issues were noted. However, in three cases, OIOS noted that the programme units had made unauthorized changes to the financial reports received from the implementing partners. In two cases, the programme units added generic explanations on budget variances in the interim financial reports, while in the third case (IP-X) involving a grant award of \$70,000, the changes made were more significant as discussed below.

26. For IP-X, the programme unit altered the version of the agreement signed by the implementing partner before it was formally signed by the Director, Division for Operations on behalf of UNITAR and filed in the Project Tracking Tool. The programme unit also improperly altered the financial report submitted by IP-X to align it to the altered agreement. According to the financial report submitted by IP-

X, UNITAR funds were used to guarantee loans for beneficiaries and not for training and feasibility studies as indicated in the altered agreement and financial report filed in the Project Tracking Tool.

27. These anomalies were possible because the programme units were responsible for obtaining signatures on the draft agreement from the implementing partner and internally within UNITAR, without the involvement of any other administrative or independent unit. The implementing partners also submitted financial and narrative reports directly to the programme units without copying any other unit. Further, the grant to IP-X was paid out of residual funds from a closed project.

28. At the time of the audit, IP-X had not submitted the grant closure report. Therefore, UNITAR had the opportunity to clarify and correct the misrepresentations and determine whether there were any unused funds that the implementing partner needs to refund. Following the audit, UNITAR raised these issues with the implementing partner in May 2024 and was awaiting their response.

**(4) UNITAR should address the improper alteration of an implementing partner agreement and related financial and narrative reports noted during the audit by: (a) establishing accountability for the anomalies; (b) clarifying with the concerned implementing partner the use of any unused funds before the grant closure form is signed; and (c) ensuring adequate segregation of duties in handling the issuance and receipt of agreements and financial reports to and from implementing partners.**

*UNITAR accepted recommendation 4 and stated that it has implemented the recommendation. The Executive Director has: (a) formally communicated with the relevant staff member on the anomalies; and (b) clarified with the concerned implementing partner on the need to return funds that were not within the purpose of the signed grant Letter of Agreement. The funds were returned to UNITAR, and the grant has been formally closed. On (c), the Executive Director issued a memorandum on 3 July 2024 introducing additional measures to mitigate risks in the processing of grant agreements with implementing partners, as well as measures on the receipt of financial reports from implementing partners. Based on the action taken, recommendation 4 has been closed.*

Corrective action was taken to ensure that outputs are clearly defined and properly referenced

29. A grant project document was prepared for each implementing partner agreement, outlining the activities and outputs that the implementing partners were required to deliver. OIOS noted the following from a review of 30 grant project documents:

(a) The linkage between the activities and outputs in the grant project document and in the main project document were in most cases not clearly documented. Where there were a few and straight forward outputs, it was easy to verify what aspects of the output and activities in the main project document were assigned to the implementing partner. However, in the case of large grants with several deliverables and/or several implementing partners, this was not always documented clearly.

(b) Where the deliverables were not traditional training activities (which was the case in 8 out of 30 implementing partner agreements reviewed), the reporting requirements were sometimes not adequately tailored to the nature of activities being implemented. For example, in one case the implementing partner was granted funds to construct a training facility, but the reporting requirements were not adjusted to include submission of important elements such as the construction contract or certificate of completion.

(c) In three cases, the targeted number of participants in the training events was not indicated in the deliverables section of the project document. In one of the three cases involving a grant award of \$2.2 million, the number of participants used in computing the budget was also not indicated. In addition, in



two other cases, the training duration was not clear. The targeted number of participants and duration of training should be reflected in the project document as they are the baselines used for computing budget allocations and for monitoring outputs and use of funds.

(d) Outputs in the project document were not clearly referenced and, in some cases, the titles of training in the project document were not the same as those used in the budget and substantive reports. This affected clarity and efficiency of variance analysis. For example, in one case involving a grant of \$943,000, the titles of two trainings in the deliverables section of the project document were different from those in the budget and substantive reports, and it was not clear whether they related to the same training. A good practice would be to reference outputs/trainings in the project document and use the same reference in the budget, narrative, and financial reports.

30. Following the audit, UNITAR redesigned the grant project template to address the gaps noted. The new template introduced additional requirements and guidelines to help ensure that outputs in the project document are clearly defined and properly referenced.

#### Corrective action was taken to establish clear requirements for post-evaluation and training reports

31. Implementing partners were required to submit narrative reports in accordance with prescribed guidelines and explain variances between planned and actual activities and outputs. These reports were essential to effectively monitor the activities of the implementing partner and ensure that funds granted were used as intended. OIOS' review showed that shortfalls in deliverables and their impact were in most cases not clearly explained in the narrative reports as well as in the financial reports. From 2024, the Partnerships and Grants Oversight Unit started conducting output verification exercises. OIOS' review of a sample of the output verification reports showed that the exercises helped in identifying and addressing gaps such as failure to clearly identify and explain shortfalls in deliverables.

32. Where projects involved the organization of training or workshops/events, implementing partners were required to submit a list of participants in a prescribed template. However, in the sample of 30 cases reviewed, the required details were fully complied with in only four out of 23 cases that had training activities or workshops/events. In the remaining cases, one or more of the personal information required (date of birth, email, and disability status) was not provided. In five cases, OIOS was informed that the participants list was anonymous for security reasons. Such security issues should have been raised upfront before the agreement was signed so that alternative reporting or monitoring requirements could be considered. The quality of participants' lists submitted also varied, ranging from original list with signatures, to simple list of names with limited details. Some lists were in official letter heads and others were not.

33. In addition, feedback from post-training evaluation of participants were not consistently submitted. From the 23 cases reviewed that had training activities or workshops/events, details of post-training evaluation were provided in only five cases. Post-training evaluations are an important feedback mechanism that could provide insights on the quality of training and trainers. Further, training reports were also only submitted in five cases with varying quality. The best one from the sample reviewed by OIOS (G2022.TARPT104.RWAaca) addressed important information on criteria used in selecting participants, training evaluation results, and training methodology. This represented a good practice that could be adopted, particularly for large grants.

34. Following the audit, UNITAR redesigned the implementing partner narrative report template to clarify reporting requirements and established a checklist for recording grant agreements and related documents.

## Need to improve guidance on budgeting and financial reporting

35. Implementing partner agreements had budgets which formed the basis of the amount of grant award. The budgets were of varying degrees of quality. In 13 of the 30 cases reviewed, the unit costs and/or quantity were not clearly reflected, and the programme units did not maintain supporting documentation of how the budgets were computed. Unit costs and quantities need to be reflected in the budget documents because they are essential baselines that facilitate effective analysis of variances. An example of a well-presented budget from the cases reviewed by OIOS was implementing partner G2022.TARPT082.MLIINFJ with a budget of \$662,000.

36. There were also varying approaches in the budget for programme support costs (PSC). In 13 of the 30 cases reviewed, no PSC was included in the budget. For the rest, there were cases where PSC was budgeted for based on a lump sum rate, and others where they were budgeted for individually by budget line. The rate of PSC ranged from 4 to 7 per cent but there were three outliers: one case where a lump sum rate of 10 per cent was used, and two cases where the proportion of administrative costs included in the budget was over 10 per cent (27 per cent in one case). There was a need to define a maximum rate of PSC and encourage the use of lump sum PSC rates which are easier and more efficient to monitor.

37. Further, the budgets sometimes included the cost of equipment. In one of the three cases reviewed (G2023.TARPT138.CIVIsmi), the budget and expenditure for equipment was significant (about \$130,000) and included purchase of two vans, 20 laptops, video equipment, printers and copiers. Where the equipment being financed by the grant award is significant, appropriate monitoring mechanisms need to be established to ensure that the equipment is properly recorded and verified.

**(5) UNITAR should: (a) improve review mechanisms to ensure that budgets are supported with well-explained unit costs and quantities; (b) establish a maximum threshold for programme support costs and encourage the use of a lump sum rate for more efficient monitoring; and (c) implement appropriate reporting and monitoring practices in cases where equipment purchases are beyond an established threshold.**

*UNITAR accepted recommendation 5 and stated that it has implemented part (a) of the recommendation through revisions made to the grant budget template. Parts (b) and (c) of the recommendation will be implemented through further review of the grant policy guidelines in the last quarter of 2024.*

## Corrective action was taken to ensure compliance with financial reporting and monitoring requirements

38. OIOS' review of 30 implementing partner agreements showed that in general, partners submitted the required interim and final financial reports. However, there were gaps and inconsistencies in the quality of financial reports which showed the need to improve the review of the financial reports. OIOS noted the following:

(a) In 4 out of 11 final financial reports reviewed, there were one or more budget lines where expenses incurred were above the 20 per cent approved threshold without clear approval of the variances. In one of the four cases, part of the budget variance (\$50,000) related to administrative costs that were already catered for in the seven per cent PSC lump sum allocation and should not have been allowed.

(b) From 2023, UNITAR guidelines required implementing partners with grant awards above \$200,000 to be subject to expense verifications that should be conducted by an independent auditor if the donor accepts to finance them, or internally if the donors does not accept to finance them. From the sample of 30 cases reviewed, donors accepted to fund expense verifications in only one out of six cases that met the

criteria for expense verification. However, the implementing partner did not submit the expense verification report with the final report as required.

(c) Implementing partners did not fully comply with the requirements for financial reporting introduced in 2023. In 6 out of the 11 final financial reports reviewed, the signatory to the financial statement was not the Chief Financial Officer or the person who signed the agreement as required. Financial reports were also not submitted in the official letter head as required in 6 of the 11 cases, and in 5 cases the details of financial transactions required were not either provided or were partially provided.

39. UNITAR acknowledged the shortcomings and developed a checklist to ensure that no payments are made to implementing partners when there were outstanding narrative, financial or expense verification reports, or if the reports submitted are not in accordance with established requirements.

#### Performance evaluations did not address compliance with reporting requirements

40. Performance evaluations were prepared as required in all the 22 out of 30 implementing partner agreements reviewed, where the agreement had ended by 31 December 2023. Implementing partners were also required to submit grant closure reports indicating whether all the outputs had been delivered, all reports were submitted, and whether there were any unused funds. In 2 of the 22 cases reviewed, the implementing partners had not submitted the grant closure reports but the gaps in reporting were not addressed in the performance evaluation reports. Similarly, in the one case where the implementing partner did not submit the independent expense verification report, the non-compliance was not addressed in the performance evaluation report. Since performance reports form the basis for future due diligence assessment of implementing partners, it is essential that reporting issues including compliance, timeliness and quality of reports are assessed in the reports.

**(6) UNITAR should revise the implementing partner performance evaluation template to include a section for evaluating compliance with reporting requirements.**

*UNITAR accepted recommendation 6 and stated that it will review its approach to assessing the performance of implementing partners and include a section for evaluating compliance with reporting requirements.*

## IV. ACKNOWLEDGEMENT

41. OIOS wishes to express its appreciation to the management and staff of UNITAR for the assistance and cooperation extended to the auditors during this assignment.

Internal Audit Division  
Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the United Nations Institute for Training and Research

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	UNITAR should: (a) establish timelines for finalizing the update of the policy framework on integrity and ethics issues; and (b) consider adopting the staff engagement survey as a feedback mechanism.	Important	O	Receipt of: (a) results of the survey administered in July 2024; and (b) evidence that timelines for updating the policy framework on integrity and ethics issues have been established.	31 December 2024
2	UNITAR should: (a) ensure that authority delegated to directors, programme managers and heads of outposted offices is delegated and accepted in writing as required; and (b) address the authority and arrangements for approving outside activities in its administrative circular on delegation of authority.	Important	O	Receipt of evidence that authority to directors, programme managers and heads of outposted offices has been delegated and accepted in writing; and the authority for approving outside activities has been incorporated in the administrative circular on delegation of authority.	31 December 2024
3	UNITAR should require Division directors to establish monitoring mechanisms to ensure that all staff and non-staff personnel undertake the required mandatory training within established timelines.	Important	O	Receipt of evidence that division directors have established mechanisms to monitor and ensure that all staff and non-staff personnel undertake the required mandatory training within established timelines.	30 September 2024
4	UNITAR should address the improper alteration of an implementing partner agreement and related financial and narrative reports noted during the audit by: (a) establishing accountability for the anomalies; (b) clarifying with the concerned implementing partner the use of any unused funds before the grant closure form is signed; and (c) ensuring adequate segregation of duties in handling the issuance and receipt of agreements and financial reports to and from implementing partners.	Important	C	Action completed.	Implemented

<sup>1</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>2</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

<sup>3</sup> Please note the value C denotes closed recommendations whereas O refers to open recommendations.

<sup>4</sup> Date provided by UNITAR in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the United Nations Institute for Training and Research

5	UNITAR should: (a) improve review mechanisms to ensure that budgets are supported with well-explained unit costs and quantities; (b) establish a maximum threshold for programme support costs and encourage the use of a lump sum rate for more efficient monitoring; and (c) implement appropriate reporting and monitoring practices in cases where equipment purchases are beyond an established threshold.	Important	O	Receipt of: (a) details of review mechanisms established to ensure that budgets are of consistent good quality; and (b) evidence that UNITAR has established guidance on budgeting for programme support costs and implemented appropriate reporting and monitoring practices in cases where equipment purchases are a significant part of the grant budget.	31 December 2024
6	UNITAR should revise the implementing partner performance evaluation template to include a section for evaluating compliance with reporting requirements.	Important	O	Receipt of evidence that the performance evaluation template has been revised to include a section for evaluating compliance with reporting requirements.	31 December 2024

# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of the United Nations Institute for Training and Research

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNITAR should: (a) establish timelines for finalizing the update of the policy framework on integrity and ethics issues; and (b) consider adopting the staff engagement survey as a feedback mechanism.	Important	Yes	a) Director of the Division for Operations	31 December 2024	b) The Office of the Executive Director deployed a staff engagement survey in June-July 2024 and is in the process of compiling the results. Management considers recommendation b) as implemented.
2	UNITAR should: (a) ensure that authority delegated to directors, programme managers and heads of outposted offices is delegated and accepted in writing as required; and (b) address the authority and arrangements for approving outside activities in its administrative circular on delegation of authority.	Important	Yes	Director of the Division for Operations	31 December 2024	
3	UNITAR should require Division directors to establish monitoring mechanisms to ensure that all staff and non-staff personnel undertake the required mandatory training within established timelines.	Important	Yes	Director, Division for Strategic Planning and Performance	Quarter 3, 2024	Management is developing an IT tool to implement a recommendation issued by the Board of Auditors in paragraph 83 of its report for the year ended 31 December 2021. Implementation of the recommendation will enable Division Directors to monitor staff and non-staff personnel compliance with mandatory training requirements.

<sup>1</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>2</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

## Management Response

## Audit of the United Nations Institute for Training and Research

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
4	UNITAR should address the improper alteration of an implementing partner agreement and related financial and narrative reports noted during the audit by: (a) establishing accountability for the anomalies; (b) clarifying with the concerned implementing partner the use of any unused funds before the grant closure form is signed; and (c) ensuring adequate segregation of duties in handling the issuance and receipt of agreements and financial reports to and from implementing partners.	Important	Yes	Executive Director	n/a (Management considers the recommendation to be implemented.)	Management has implemented the recommendation. Specifically, the Executive Director has (a) formally communicated to the relevant staff member on the anomalies and (b) has clarified with the concerned implementing partner on the need to return funds that were not within the purpose of the signed grant Letter of Agreement. Such funds were returned to UNITAR and the grant has been formally closed. On (c), the Executive Director issued a memorandum on 3 July 2024 formally communicating to UNITAR staff clarifications to the procedures in AC/UNITAR/2023/11 (section B.1.a-f, pages 8-9) and introducing additional measures to mitigate risks in the processing of grant agreements with IPs, as well as measures on the receipt of financial reports from IPs. Evidence is attached.
5	UNITAR should: (a) improve review mechanisms to ensure that budgets are supported with well-explained unit costs and quantities; (b) establish a maximum threshold for programme support costs and encourage the use of a lump sum rate for more efficient monitoring; and (c) implement appropriate reporting and monitoring practices in cases where	Important	Yes	Director, Division for Strategic Planning and Performance	Quarter 4, 2024	Management has implemented recommendation (a) through revisions made to the grant budget template, as communicated to UNITAR staff by the Executive Director through Memorandum of 7 June 2024. Recommendations (b) and (c) will be implemented through further review



## Management Response

## Audit of the United Nations Institute for Training and Research

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	equipment purchases are beyond an established threshold.					to the grant policy guidelines in quarter 4 (2024).
6	UNITAR should revise the implementing partner performance evaluation template to include a section for evaluating compliance with reporting requirements.	Important	Yes	Director, Division for Strategic Planning and Performance	Quarter 4, 2024	Management will review its approach to assessing the performance of implementing partners in conjunction with a related recommendation issued by the Board of Auditors, and include a section for evaluating compliance with reporting requirements.