



INTERNAL AUDIT DIVISION

REPORT 2021/002

Audit of the United Nations Research Institute for Social Development

**Some aspects of governance, strategic
planning, performance monitoring, project
costing and human resources management
need to be strengthened**

23 February 2021

Assignment No. AE2020-384-01

Audit of the United Nations Research Institute for Social Development

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Research Institute for Social Development (UNRISD). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the effective and efficient management of UNRISD's operations. The audit covered the period from 1 January 2018 to 30 June 2020 and included a review of risk areas relating to: (a) strategic planning; (b) governance; (c) programme management; and (d) financial and human resources management.

Controls over budget monitoring, procurement, property management and travel were satisfactory. However, some aspects of governance, strategic planning, performance monitoring, project costing and human resources management need to be strengthened.

OIOS made eight recommendations. To address issues identified in the audit, UNRISD needed to:

- Strengthen and document its results-based management framework and establish a policy for assessing the research uptake and impact of individual research projects where feasible;
- Undertake a donor mapping exercise; identify alternative business models; and update the fundraising strategy with a multi-year focus and approach;
- Formulate a strategy to strengthen research collaboration with other United Nations entities and agencies;
- In consultation with the Board, initiate action to update its Statute and ensure that issues related to the composition of the Board, arrangements for provision of administrative services, delegation of authority, and administrative oversight over the Director are adequately addressed;
- In consultation with the Board, formalize a mechanism to ensure that all important observations raised in Board meetings are followed up and appropriately addressed;
- Establish guidelines for computing, budgeting and allocating direct project support costs to individual projects and for reporting the results in the annual reports submitted to the Board;
- In consultation with the Board, establish guidelines to be followed in the recruitment of staff, consultants, and individual contractors and ensure that all deviations or exceptions are reported to the Board; and
- Ensure that all staff complete the mandatory training programmes.

UNRISD accepted the recommendations and has initiated action to implement them.

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Audit of the United Nations Research Institute for Social Development

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Research Institute for Social Development (UNRISD).
2. UNRISD was established in August 1963 by the Secretary-General's bulletin ST/SGB/126 (hereinafter referred to as the 'Statute') as an autonomous organization within the United Nations system for the conduct of policy-relevant, cutting-edge research on social development that is pertinent to the work of the United Nations, regional commissions, specialized agencies and national institutions. Through its research, UNRISD aims to ensure that social inclusion, equity and justice are placed at the centre of development thinking, policies and practice. UNRISD engages with researchers, policy makers and civil society actors from around the world in generating and sharing knowledge to shape policy within and beyond the United Nations system.
3. An external evaluation of UNRISD's activities was performed in 2014 covering its performance during the period April 2008 to March 2013. The evaluation concluded that UNRISD's work had achieved an impact in multiple parts of the United Nations system, wider international institutions and more broadly in the global social development research community. UNRISD's current institutional strategy covers the period 2016-2020 and is spread over three programmes: Social Policy and Development; Gender and Development; and Social Dimensions of Sustainable Development. The strategy states that UNRISD's overarching goal is to ensure that social development concerns and objectives remain prominent in the implementation of the 2030 agenda for sustainable development.
4. The Statute defines the purposes and general organization of UNRISD and establishes the arrangements for the provision of financial, personnel and other administrative services. UNRISD is governed by a Board which consists of the chairperson appointed by the Secretary-General, 10 members who are confirmed by the Economic and Social Council (ECOSOC), and a representative of the Secretary-General. The Board members are appointed in their personal capacity and do not represent Member States.
5. UNRISD is headed by a Director at D-2 level supported by a P-5 heading the Bonn office, which was opened in 2020, three other P-5 staff, two P-3s, one G-5, and five consultants. It also had three visiting research fellows.
6. UNRISD was funded through voluntary contributions from three major donors. According to its Statute, financial regulations and appropriate financial rules of the United Nations shall apply to UNRISD. UNRISD's expenditure for 2018 and 2019 was \$2.2 million and \$2.3 million, respectively, and the budget for 2020 was \$2.9 million. UNRISD was also funded through project funding for specific research projects. At the time of the audit, it had 15 research projects funded up to 2023 involving an income of \$2.5 million.
7. Comments provided by UNRISD are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring effective and efficient management of UNRISD's operations.

9. This audit was included in the 2020 risk-based work plan of OIOS due to potential financial and operational risks that could affect the achievement of UNRISD’s objectives.

10. OIOS conducted this audit from July to November 2020. The audit covered the period from 1 January 2018 to 30 June 2020. Based on an activity-level risk assessment, the audit covered risk areas relating to: (a) strategic planning; (b) governance; (c) programme management; and (d) financial and human resources management.

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

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

III. AUDIT RESULTS

A. Strategic planning

Need to strengthen the results-based management framework

13. UNRISD developed its strategy for the period 2016-2020 with seven strategic objectives spread over three programmes through iterative consultations with a wide range of stakeholders, including the principal funding partners. During the period under review, UNRISD produced a large volume of outputs in a range of formats across a diverse range of social development issues. Performance was monitored and reported through the annual performance reports submitted to the Board. UNRISD also reported biennially to the United Nations Commission for Social Development and submitted the required progress and completion reports to donors. At the time of the audit, UNRISD was working on the strategy for the period 2021-2025. However, there were some deficiencies in the Results Based Management (RBM) logical framework (log frame) as discussed below:

a) Deficiencies in performance measures and monitoring framework for strategic objectives

14. The RBM log frame was prepared one year earlier than the strategy as a requirement under the terms of agreement with a major funding partner and was therefore not fully aligned with the strategy. The RBM log frame had five objectives while the strategy had seven objectives and it covered the period 2015 to 2019 while the strategy was for the period 2016 to 2020. UNRISD explained that due to funding uncertainties, it did not prepare a full RBM log frame for the strategy and had adopted the approach of preparing RBM log frame for individual donors who requested it. In the period covered by the current strategy (2016-2020), the RBM log frame was prepared for two of the main donors and it was primarily used for performance reporting to the donors.

15. At the institutional level, the annual reports to the Board made some reference to the performance indicators in the RBM log frame, but it was not used as the main basis for reporting to the Board. Also, the misalignment between the RBM log frame and the strategy needs to be addressed if the RBM log frame is to be used as the basis for performance reporting at the institutional level. One of the objectives in the strategy – “delivering value for money” – was not covered in the RBM log frame, and there were no indicators established for it. The other six objectives were substantive and similar and could be mapped to the four substantive objectives in the RBM log frame. However, differences in the number of objectives and the period covered affected the clarity and usefulness of performance reports. To address these gaps,

UNRISD needs to clearly articulate its performance reporting and monitoring at the institutional level, including clarifying the performance indicators for each objective in the strategy.

b) The linkage between work plans/projects and the RBM log frame was not clearly documented

16. UNRISD had developed activity-based annual work plans related to the three programmes defined in the 2016-2020 strategy with key dates of their accomplishment. However, the activities defined in the annual work plans did not specify: (i) the strategic objectives they related to; (ii) measurable performance indicators; and (iii) monitoring mechanisms. UNRISD needs to ensure that linkages between the work plans, research projects executed, and the RBM log frame are clearly documented to facilitate effective performance reporting and monitoring.

c) Need to strengthen the performance indicators used for measuring outcomes and research uptake

17. The performance indicators in the RBM log frame were mostly output-oriented. For example, the performance indicators for Objective 3: “Inform and influence norms, policies, and practices of sustainable development” were as follows: (i) total number of research outputs, (ii) number of research derived products aimed at policy, advocacy and practice community, (iii) number of presentations by UNRISD, (iv) number of downloads from UNRISD website, and (v) number of views and podcast downloads from UNRISD’s website. Such quantitative and output-based indicators may not be effective in measuring the research uptake and the targeted outcomes defined in the RBM log frame.

18. To gauge the impact of its research in qualitative terms, UNRISD followed a multi-pronged approach that included feedback sought from stakeholders and showcasing the success stories on its engagement. In addition, regular reporting to donors as well as evaluations presented UNRISD’s overall achievements. However, the research projects did not indicate how the research uptake and its impact would be measured and communicated. This is a resource-intensive exercise which may not be funded by the research projects’ donors who were primarily interested in receiving the intended research product. It is essential that UNRISD’s research uptake and impact is assessed and demonstrated through suitable metrics, complementing the currently used bibliometric metrics.

(1) UNRISD should: (a) strengthen and document its results-based management framework including performance indicators for each of the objectives in the strategy; and (b) establish a policy for assessing the research uptake and impact of individual research projects where feasible.

UNRISD accepted recommendation 1 and stated that work was already underway to ensure that the main RBM log frame governing the largest core donor contributions is aligned with UNRISD institutional strategy. Performance indicators will remain under review. UNRISD will also consider how best to assess uptake and impact of individual research projects. Recommendation 1 remains open pending receipt of: (a) an updated institutional strategy (2021-2025) that is aligned with the main RBM log frame; and (b) a policy for assessing the research uptake and impact of individual research projects.

Urgent need to address risks concerning the financial sustainability of UNRISD

19. UNRISD was funded by voluntary contributions involving: (i) core funding to support its core activities pledged annually from three donor states; and (ii) project funding for specific research projects. Over the last 20 years, the core funding has dropped considerably. UNRISD had made commendable efforts to recover from the precarious position it was in at the beginning of 2016 when its reserves had

depleted. UNRISD responded to the resource mobilization imperative with a balanced portfolio approach of institutional, programme and project funding.

20. Further, in 2018, UNRISD recognized fundraising as a high-risk activity and developed a fundraising strategy which indicated a list of proposed activities. Relevant outputs, outcomes, and performance indicators related to fundraising were defined in the RBM log frame, and fundraising activities were incorporated in the annual work plans. The Director presented to the Board the fundraising work carried out by UNRISD which included outcome of discussions with donor governments, update on the sources of project funding, and in-kind contribution from the United Nations system. During the period under review, the core funding stood at \$1.9 million in 2018, \$1.8 million in 2019, and \$2.1 million in 2020. For project funding, UNRISD had set an annual target of \$0.5 million which was nearly met in 2018 and was exceeded in 2019 (\$0.8 million) and 2020 (\$0.7 million as at June 2020). At the end of June 2020, UNRISD had a reserve of \$1.3 million.

21. Despite these efforts, funding challenges continued and have been exacerbated by the general trend of donors shifting from core funding towards project funding, which is more targeted and competitive. In July 2020, two of the three major donors announced that the next funding agreement would be the last one to provide core support. Accordingly, the current funding agreement with these donors is scheduled to end in 2022. At the time of the audit, UNRISD had projects funded into 2023. Nine out of 15 projects had a multi-country, multi-disciplinary, and multi-year focus linked to the Sustainable Development Goals. In this scenario, to continue pursuing its objectives beyond 2022 when the core funding ends, UNRISD may be constrained to draw from its reserves if no new donors are identified for core funding.

22. UNRISD needs to diversify and increase its funding base to mitigate the risks associated with reliance on a few donors and lack of predictable funding. The fundraising strategy as well as the funding structure/business model need to be reviewed and strengthened accordingly. It would be useful for UNRISD to conduct a donor mapping exercise to identify and prioritize donors or funding sources to target during fundraising. Research coordinators had a performance goal for fundraising, but their development needs in this area should be assessed to address any gaps.

(2) UNRISD should: (a) undertake a donor mapping exercise and identify alternative business models with a broader donor base to ensure its financial sustainability; (b) review and update the fundraising strategy with a multi-year focus and approach taking into account the results of the donor mapping exercise; and (c) strengthen the capacity of research coordinators in fundraising.

UNRISD accepted recommendation 2 and stated that following its retreat in September 2020, a strategy to ensure long-term institutional sustainability was being developed and implemented. This includes exploration of aspects such as resource mobilization, location, and business model. As part of this strategy, a working group on project resource mobilization has been established which provides a forum where research coordinators can explore information to share advice on successful approaches. Recommendation 2 remains open pending receipt of evidence that a donor mapping exercise has been performed, alternative business models explored, and the fundraising strategy has been updated with a multi-year focus and approach.

Need to strengthen relationships and coordination with other United Nations entities and agencies

23. While there was no formal division of labour among the various United Nations entities/agencies engaged in research, UNRISD's mandate exclusively focused on research and policy analysis in the area of social development. Article 1 of UNRISD's Statute indicated, inter alia, that its work is coordinated

with the concerned special agencies of the United Nations. This is partially ensured at the governance level through nominating a representative from the Department of Economic and Social Affairs. UNRISD also had access to a number of formal United Nations system-wide mechanisms and normative processes that helped to facilitate coordination with various United Nations entities, particularly those involved in research. These included: (a) participation of the United Nations Institute for Training and Research and the United Nations University at UNRISD's annual stakeholders' meetings; (b) UNRISD's publication of a newsletter targeted at policy and research staff in sister United Nations organizations; and (c) participation of UNRISD's Director in various United Nations inter-agency processes such as the Executive Committee on Economic and Social Affairs and the Financing for Development processes.

24. However, UNRISD had not established a formal strategy for coordination with other United Nations entities for project funding or for setting the research agenda. At the time of the audit, in 15 projects totalling \$2.54 million, funding was provided by United Nations entities in five cases in the amount of \$168,812 (or 7 per cent). There was also a sustained shortfall in the performance indicator "Number of references to UNRISD's work in United Nations official documents and other agency publications" reported in the RBM log frame. As against a target of 50, the achievement was 47, 32, and 31 in 2017, 2018, and 2019, respectively. There is a risk that UNRISD's contribution in terms of research and other activities is not seen as adequate by its United Nations partners. UNRISD needs to explore and document a strategy that would help it carve a niche for itself within the United Nations system.

(3) UNRISD, in consultation with the Board, should formulate a strategy to strengthen research collaboration with other United Nations entities and agencies.

UNRISD accepted recommendation 3 and stated that it will, in consultation with the Board, consider how to strengthen research collaboration with other United Nations entities and agencies, building on the elements already in place such as: (a) stakeholder meetings; and (b) newsletters directed to United Nations policy and research colleagues in other agencies. Recommendation 3 remains open pending receipt of a documented strategy to strengthen research collaboration with other United Nations entities and agencies.

B. Governance

Need to update the Statute

25. UNRISD's Statute has not been updated since it was first established. The need to update the Statute was raised in OIOS' audit of UNRISD in 2004 but the recommendation had not been implemented. Governance reform was ongoing in UNRISD for the last few years but it received a lower priority than resource mobilization until 2017; it was only taken up in 2018-2019. Over the years, absence of an up to date statute had affected UNRISD in various ways as discussed below:

(a) UNRISD was established through a Secretary-General's bulletin unlike other United Nations research and training institutes which were established based on resolutions of the General Assembly or ECOSOC. Board members interviewed by OIOS expressed the view that having a statute established through the General Assembly or ECOSOC would be more authoritative in defining the mandate of UNRISD within the United Nations system.

(b) Pursuant to the new delegation of authority framework (ST/SGB/2019/2) established by the Secretary-General, UNRISD did not receive any delegation of authority. The United Nations Board of Auditors recommended in 2019 that the United Nations Office at Geneva (UNOG), together with UNRISD, should seek clarification from United Nations Headquarters to determine whether UNRISD was a separate

entity within the delegation of authority framework, or whether it could receive sub-delegation from UNOG. Implementation of this recommendation was pending.

(c) There was lack of clearly established responsibilities, accountability and term of office for the UNRISD Director. In particular, the reporting lines for the Director and arrangements for performance appraisal needed to be clarified. This is also an issue in some of the other research and training institutes in the United Nations system.

(d) UNRISD's Statute stipulates that financial and personnel services will be provided by UNOG without charge. However, over the years, UNOG has been charging seven per cent of UNRISD's expenditure as programme support costs. The original intention of providing UNRISD with free administrative services needs to be taken into account and clarified in an updated Statute as well as UNRISD's Memorandum of Understanding with UNOG.

(e) Although the Statute describes the composition of the Board, it does not define representation in terms of the kind of expertise required of Board members. The current Board mostly consists of academicians and policy research experts; it may be desirable to seek expertise in additional areas such as resource mobilization and risk management.

26. Following extensive consultations, in January 2020, the United Nations Headquarters outlined two options for issuance of a revised UNRISD statute: (a) approval of a new statute by ECOSOC; or (b) issuance of a new statute by the Secretary-General pursuant to a mandate from ECOSOC. UNRISD stated that the selection of route (b) was made in consultation with the Chairman of the Board. At their next session in February 2021, members of the United Nations Commission for Social Development (one of the commissions under ECOSOC) will be asked to authorize the Secretary-General to develop and promulgate a new statute for UNRISD, in consultation with the Board.

(4) UNRISD, in consultation with the Board, should initiate action to update its Statute and ensure that issues related to the composition of the Board, arrangements for provision of administrative services, delegation of authority, and administrative oversight over the Director are adequately addressed.

UNRISD accepted recommendation 4 and stated that with the Board, it hopes to make progress on these interconnected issues at the 59th session of the United Nations Commission for Social Development to be held in February 2021. At that meeting, members of the Commission will decide whether to recommend to ECOSOC that the United Nations Secretary-General be authorized to develop, in consultation with the UNRISD Board, a Statute for UNRISD. Recommendation 4 remains open pending receipt of evidence of action taken to update the Statute.

Need to follow up on important observations made in Board meetings

27. During the period under review, UNRISD held Board meetings and maintained minutes of meetings as required. Information on UNRISD's activities and outputs were submitted to the Board through the annual reports. UNRISD had a mechanism to monitor and follow up on decisions made by the Board. However, OIOS' review of the minutes of the 2018 and 2019 meetings indicated three cases where a Board member and two observers made important observations related to strengthening UNRISD's impact, risk analysis, and its engagement with the Department of Economic and Social Affairs. No specific decision or recommendation was made, but it was unclear whether any action was taken in light of these observations.

- (5) UNRISD, in consultation with the Board, should formalize a mechanism to ensure that all important observations raised in Board meetings are followed up and appropriately addressed.**

UNRISD accepted recommendation 5 and stated that it will consider with the Board how to include all important observations made at the Board sessions in the agreed Board decisions. Recommendation 5 remains open pending receipt of details of the mechanism established to ensure that all important observations raised in Board meetings are followed up and appropriately addressed.

C. Programme management

Need for establishing guidelines on allocation of direct project support costs

28. The principles set out in the Controller's memo dated 8 June 2012 require that all costs that can be directly attributed to a project financed from extra-budgetary contributions should be financed by the relevant project funds. Except for the post of Head of the Bonn Office, all the staff posts of UNRISD were funded from unearmarked funds. The direct costs relating to staff working on projects were charged to projects and the related funds credited to UNRISD's reserves. The costs charged to the projects also included a share of the fixed sum of seven per cent towards programme support costs charged by UNOG. The total amount of direct support costs (direct staff and consultant costs) charged and retained in reserves in 2018 and 2019 was \$241,000 and \$201,000 respectively.

29. However, there were inconsistencies in the approach used for allocating direct support costs to projects. There was no system of maintaining and monitoring timesheets in support of the resources charged or estimating the proportion of staff time spent on various projects. In some cases, UNRISD charged a lump sum without indicating details of the direct support costs involved and provided in-kind contribution in the form of salaries of research staff that worked on them. The level of direct support costs not charged/allocated to projects (under recovery) was therefore not clear. Under recovery of direct support costs, if not justified, is a lost opportunity for UNRISD to use unearmarked funds for other programme activities.

30. The details of direct support costs recovered from projects were also not reported to the Board. UNRISD stated that recovering or charging direct support costs in cases where they are not adequately provided for in project budgets may not always be possible and could impair donor relations. UNRISD further stated that since it was already obliged to include the seven per cent programme support costs charged by UNOG, donors were reluctant to pay for additional costs. It had tried to increase the overheads to 13 per cent (to retain six per cent for its own administrative services) but was not always successful.

31. While UNRISD may not always be able to budget for or charge all direct support costs to projects, OIOS is of the view that the total direct support costs should be computed and any gaps (which would represent UNRISD's in-kind contribution to the projects) should be determined and explained. UNRISD needs to develop standard guidelines for computing the direct support costs and for budgeting and allocating them to projects. This would enhance consistency and transparency, besides ensuring that the costs charged are properly determined and justified.

- (6) UNRISD should establish guidelines for computing, budgeting and allocating direct project support costs to individual projects and for reporting the results in the annual reports submitted to the Board.**

UNRISD accepted recommendation 6 and stated that given (a) the size of the Institute, (b) the different approaches taken by core donors and project funders, and (c) the issues to be researched, there will always be a need to retain some flexibility in allocating direct project support costs to individual projects. Nevertheless, UNRISD will provide some guidelines for consideration by the Board on the factors that influence its decisions on the allocation of direct project support costs. Recommendation 6 remains open pending receipt of the guidelines for computing, budgeting and allocating direct project support costs to individual projects.

D. Financial and human resources management

Controls over budget monitoring, procurement, property management, and travel were satisfactory

32. UNRISD submitted its annual budget to the Board for approval as required by its Statute. UNRISD also submitted expenditure reports to the Board in which it explained significant variations between budget and actual expenditures. UNRISD provided in its annual reports a detailed account of the efforts made to ensure efficient utilization of budgetary resources. With regard to procurement, UNRISD solicited the required number of bids from vendors, used UNOG's system contracts to procure laptops, and appropriately followed the sole source procurement processes wherever used. UNOG's Property Management Sub-Unit conducted annual physical verification of UNRISD's equipment in 2019 and 2020. OIOS' review also established that travel requests were initiated in a timely manner in compliance with the 16-day advance ticketing requirement. The purpose of travel was linked to the programmes of UNRISD, and mission reports were prepared by staff upon return from mission. UNRISD occasionally conducted disaster recovery planning and testing of the data hosted on its website and had established procedures to prevent potential security breaches.

Need to establish internal guidelines governing recruitment of staff, consultants, and individual contractors

33. Article 13 of the UNRISD Statute states that all appointments shall be governed by the appropriate provisions of the Staff Rules of the United Nations, provided that the procedures set out in Staff Rule 104.14 regarding the Appointment and Promotion Board shall not apply to persons specifically recruited for service with UNRISD.

34. OIOS reviewed the two recruitment actions conducted during 2018-2019, both of which related to P-5 posts. In one case, the recruitment was done in a competitive manner based on a written test and interview. In the second case, UNRISD promoted a P-4 staff member without advertising the position and following a competitive selection process as required under Section 4.1 of ST/AI/2016/1 on staff selection and managed mobility system. Further, the selected staff member's last performance appraisal prior to selection (the 2018-19 performance cycle) was completed only in August 2020, 16 months after the individual was promoted to P-5.

35. With regard to consultants, United Nations Headquarters clarified that it was up to UNRISD to decide and inform UNOG on how it wished to administer the employment of consultants and individual contractors, including time limits for duration of the contracts which may be different from those applicable to the United Nations Secretariat. Based on this advice, UNRISD informed UNOG in June 2015 of its decision to limit the duration of the contracts to a maximum of 60 months in a 72-month period. OIOS reviewed contracts of 11 consultants of UNRISD involving a payment of \$750,804 and noted that UNRISD allowed one consultant to work for seven years which was contrary to its decision to limit contracts to a maximum of 60 months in a 72-month period. In its communication to UNOG, UNRISD explained that it allowed a seven-year contract to a more senior in-house consultant and the five-year limit would still be applicable to more junior level consultants. To avoid inconsistencies and the risk of practices being altered

to suit individual cases, UNRISD needs to document its recruitment guidelines and ensure that all deviations or exceptions are reported to the Board.

- (7) UNRISD, in consultation with the Board, should establish guidelines to be followed in the recruitment of staff, consultants, and individual contractors and ensure that all deviations or exceptions are reported to the Board.**

UNRISD accepted recommendation 7 and stated that it will develop guidelines on human resources management and approaches to be taken for the recruitment of staff, consultants and individual contractors, and for the instances where the Institute uses human resource management flexibilities already provided to it by the United Nations Secretariat. Recommendation 7 remains open pending receipt of evidence that the recruitment guidelines have been documented and all deviations or exceptions are reported to the Board.

Need to ensure that staff complete all the mandatory training programmes

36. Staff members are required to complete mandatory training programmes stipulated in ST/SGB/2018/4. As of June 2020, only three out of eight staff had completed all the nine mandatory training programmes. This activity did not form part of the annual performance goals of the staff; there was no monitoring mechanism to ensure compliance. As a result, there was a risk that staff members may be unaware of the expected behavioural standards and their responsibility to uphold the standards.

- (8) UNRISD should define a suitable standard performance goal for staff to ensure that they complete the mandatory training programmes.**

UNRISD accepted recommendation 8 and stated that it will set expectations to incentivize all staff to complete mandatory training programmes. Recommendation 8 remains open pending receipt of evidence that appropriate performance goals have been established for staff to complete the mandatory training programmes.

IV. ACKNOWLEDGEMENT

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

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Research Institute for Social Development

| Rec. no. | Recommendation | Critical ¹ / Important ² | C/ O ³ | Actions needed to close recommendation | Implementation date ⁴ |
|----------|--|---|----------------------|---|----------------------------------|
| 1 | UNRISD should: (a) strengthen and document its results-based management framework including performance indicators for each of the objectives in the strategy; and (b) establish a policy for assessing the research uptake and impact of individual research projects where feasible. | Important | O | Receipt of: (a) an updated institutional strategy (2021-2025) that is aligned with the main RBM log frame; and (b) a policy developed for assessing the research uptake and impact of individual research projects. | 31 December 2021 |
| 2 | UNRISD should: (a) undertake a donor mapping exercise and identify alternative business models with a broader donor base to ensure its financial sustainability; (b) review and update the fundraising strategy with a multi-year focus and approach taking into account the results of the donor mapping exercise; and (c) strengthen the capacity of research coordinators in fundraising. | Important | O | Receipt of evidence that a donor mapping exercise has been performed, alternative business models explored, and the fundraising strategy has been updated with a multi-year focus and approach. | 31 December 2021 |
| 3 | UNRISD, in consultation with the Board, should formulate a strategy to strengthen research collaboration with other United Nations entities and agencies. | Important | O | Receipt of a documented strategy to strengthen research collaboration with other United Nations entities and agencies. | 31 December 2021 |
| 4 | UNRISD, in consultation with the Board, should initiate action to update its Statute and ensure that issues related to the composition of the Board, arrangements for provision of administrative services, delegation of authority, and administrative oversight over the Director are adequately addressed. | Important | O | Receipt of evidence of action taken to update the Statute. | 31 December 2021 |

¹ 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.

² 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.

³ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁴ Date provided by UNRISD in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Research Institute for Social Development

| | | | | | |
|---|---|-----------|---|---|------------------|
| 5 | UNRISD, in consultation with the Board, should formalize a mechanism to ensure that all important observations raised in Board meetings are followed up and appropriately addressed. | Important | O | Receipt of details of the mechanism established to ensure that all important observations raised in Board meetings are followed up and appropriately addressed. | 30 April 2021 |
| 6 | UNRISD should establish guidelines for computing, budgeting and allocating direct project support costs to individual projects and for reporting the results in the annual reports submitted to the Board. | Important | O | Receipt of the guidelines for computing, budgeting and allocating direct project support costs to individual projects. | 31 December 2021 |
| 7 | UNRISD, in consultation with the Board, should establish guidelines to be followed in the recruitment of staff, consultants, and individual contractors and ensure that all deviations or exceptions are reported to the Board. | Important | O | Receipt of evidence that the recruitment guidelines have been documented and all deviations or exceptions are reported to the Board. | 31 December 2021 |
| 8 | UNRISD should define a suitable standard performance goal for staff to ensure that they complete the mandatory training programmes. | Important | O | Receipt of evidence that appropriate performance goals have been established for staff to complete the mandatory training programmes. | 31 December 2021 |

APPENDIX I

Management Response

Management Response

Audit of the United Nations Research Institute for Social Development

| Rec. no. | Recommendation | Critical ¹ / Important ² | Accepted? (Yes/No) | Title of responsible individual | Implementation Date | Client comments |
|----------|--|--|--------------------|---------------------------------|---------------------|---|
| 1 | UNRISD should: (a) strengthen and document its results-based management framework including performance indicators for each of the objectives in the strategy; and (b) establish a policy for assessing the research uptake and impact of individual research projects where feasible. | Important | Yes | UNRISD Director | End-2021 | Work is already underway to ensure that the main RBM logframe governing the largest core donor contributions is aligned with the UNRISD institutional strategy. Performance indicators will remain under review. UNRISD will also consider how best to assess uptake and impact of individual research projects. |
| 2 | UNRISD should: (a) undertake a donor mapping exercise and identify alternative business models with a broader donor base to ensure its financial sustainability; (b) review and update the fundraising strategy with a multi-year focus and approach taking into account the results of the donor mapping exercise; and (c) strengthen the capacity of research coordinators in fundraising. | Important | Yes | UNRISD Director | End-2021 | A strategy to ensure long-term institutional sustainability is being developed and implemented. This includes exploration of aspects such as resource mobilization, location, and business model. As part of this strategy, a working group on project resource mobilization has been established which provides a forum where research coordinators can explore information and share advice on successful approaches. |
| 3 | UNRISD, in consultation with the Board, should formulate a strategy to strengthen research collaboration with other United Nations entities and agencies. | Important | Yes | UNRISD Director | End-2021 | UNRISD, in consultation with the Board, will consider how to strengthen research collaboration with other United Nations entities and |

¹ 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.

² 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 Research Institute for Social Development

| Rec. no. | Recommendation | Critical ¹ / Important ² | Accepted? (Yes/No) | Title of responsible individual | Implementation Date | Client comments |
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| | | | | | | agencies, building on the elements already in place such as (a) stakeholder meetings; and (b) newsletters directed to UN policy and research colleagues in other agencies. |
| 4 | UNRISD, in consultation with the Board, should initiate action to update its Statute and ensure that issues related to the composition of the Board, arrangements for provision of administrative services, delegation of authority, and administrative oversight over the Director are adequately addressed. | Important | Yes | UNRISD Director UNRISD Board Chair | | UNRISD and the Board hope to make progress on these interconnected issues at the 59 th Session of the UN Commission for Social Development (February 2021). At that meeting, members of the Commission will decide whether to recommend to ECOSOC that the UN Secretary-General be authorized to develop, in consultation with the UNRISD Board, a Statute for UNRISD. |
| 5 | UNRISD, in consultation with the Board, should formalize a mechanism to ensure that all important observations raised in Board meetings are followed up and appropriately addressed. | Important | Yes | UNRISD Director UNRISD Board Chair | April 2021 | UNRISD will consider with the Board how to include all important observations made at the Board sessions in the agreed Board decisions. |
| 6 | UNRISD should establish guidelines for computing, budgeting and allocating direct project support costs to individual projects and for reporting the results in the annual reports submitted to the Board. | Important | Yes | UNRISD Director | End-2021 | Given: (a) the size of the Institute, (b) the different approaches taken by core donors and project funders, and (c) the issue(s) to be researched, there will always be a need to retain some flexibility in allocating direct project support costs to individual projects. Nevertheless, UNRISD will provide some guidelines for consideration by the Board on the factors that influence |

Management Response

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| | | | | | | its decisions on the allocation of direct project support costs. |
| 7 | UNRISD, in consultation with the Board, should establish guidelines to be followed in the recruitment of staff, consultants, and individual contractors and ensure that all deviations or exceptions are reported to the Board. | Important | Yes | UNRISD Director | End-2021 | UNRISD will develop guidelines on human resources management and approaches to be taken for the recruitment of staff, consultants and individual contractors; and for the instances where the Institute uses human resource management flexibilities already provided to it by the United Nations Secretariat. |
| 8 | UNRISD should define a suitable standard performance goal for staff to ensure that they complete the mandatory training programmes. | Important | Yes | UNRISD Director | End-2021 | UNRISD will set expectations to incentivize all staff to complete mandatory training programmes. |