



INTERNAL AUDIT DIVISION

REPORT 2015/146

Audit of the United Nations Interregional Crime and Justice Research Institute

Overall results relating to the management of operations were initially assessed as partially satisfactory. Implementation of seven important recommendations remains in progress.

**FINAL OVERALL RATING: PARTIALLY
SATISFACTORY**

27 November 2015
Assignment No. AE2015/383/01

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AUDIT REPORT

Audit of the United Nations Interregional Crime and Justice Research Institute

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Interregional Crime and Justice Research Institute (UNICRI).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. UNICRI was originally established in 1967 as the United Nations Social Defence Research Institute. It was later renamed as UNICRI in 1989 by Economic and Social Council (ECOSOC) resolution 1989/56 which also adopted its present statute. The Institute's objective is to contribute to the formulation and implementation of improved policies in the field of crime prevention and control, due regard being paid to the integration of such policies within broader policies for socio-economic change and development, and the protection of human rights. It is mandated to do this through research, training, field activities, and the collection, exchange and dissemination of information.
4. UNICRI is governed by a Board of Trustees (the Board) under the overall guidance of the Commission on Crime Prevention and Criminal Justice and reports periodically to ECOSOC. The Board consisted of seven elected members serving in their personal capacity and four ex-officio members including a representative of the Secretary-General, a representative of the Administrator of United Nations Development Programme, a representative of the Host Country (Italy), and the Director of UNICRI.
5. UNICRI was led by a Director at the D-2 level who had the responsibility for managing the Institute in accordance with the directives issued by the Board. The current Director joined UNICRI in June 2015 following the retirement of the previous incumbent in May 2015. The Director was assisted by a Senior Programme Officer at the P-5 level. As of May 2015, UNICRI had 56 posts comprising of 34 Professional and 22 General Service positions. In addition, UNICRI employed 9 senior and 26 junior fellows.
6. UNICRI headquarters is located at the United Nations campus in Turin, Italy. The headquarters was relocated from Rome to Turin in 1995 following an exchange of letters between the United Nations and the host government. As of July 2015, it had liaison offices in New York and Rome as well as nine project offices in Lisbon, Tbilisi, Geneva, Algiers, Rabat, Nairobi, Amman, Manila and Jakarta, and was in the process of opening a project office in Brussels.
7. The thematic priorities of UNICRI as per its 2013 and 2014 reports to ECOSOC were:
 - a. Countering the threat of organized crime to security and development;
 - b. Increasing the efficiency of criminal justice systems and protection of vulnerable groups;
 - c. Promoting international criminal law and practice;
 - d. Sharing best practices, building capacity to promote human rights and improving access to services;

- e. Security governance and countering the appeal of terrorism; and
- f. Training and advanced education: building capacity in crime prevention and criminal justice.

8. UNICRI was funded entirely from voluntary contributions. As of May 2015, it had 52 ongoing projects with a total budget of \$66.5 million. UNICRI had received voluntary contributions of \$39 million and \$21 million in the 2012-2013 and 2010-2011 bienniums, respectively. As of May 2015, it had received \$16 million for the 2014-2015 biennium and by July 2015, the total contributions for the 2014-2015 biennium had increased to \$28 million. The actual expenditure for 2012-2013 was \$25 million and the approved budget for 2014-2015 was \$27 million.

9. As stated in its statute, UNICRI is subject to the Financial and Staff Regulations and Rules of the United Nations, except as may be provided otherwise by the General Assembly. It is also subject to the administrative issuances of the Secretary-General, except as may be otherwise decided by the Secretary-General. UNICRI had signed a Memorandum of Understanding (MOU) with the United Nations Office at Vienna (UNOV) in 2009 for the provision of administrative services support.

10. Comments provided by UNICRI are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

11. The audit was conducted to assess the adequacy and effectiveness of UNICRI governance, risk management and control processes in providing reasonable assurance regarding the **effective management of UNICRI operations**.

12. The audit was included in the 2015 internal audit work plan for UNICRI due to significant risks related to the operations of UNICRI.

13. The key controls tested for the audit were: (a) strategic planning and risk assessment; (b) programme and project management; and (c) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:

(a) **Strategic planning and risk assessment** - controls that provide reasonable assurance that appropriate strategic planning and risk assessment processes are in place at UNICRI and working effectively.

(b) **Programme and project management** - controls that provide reasonable assurance that UNICRI manages its operations and projects in an efficient and effective manner.

(c) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide UNICRI activities; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.

14. The key controls were assessed for the control objectives shown in Table 1. Certain control objectives shown in Table 1 as “Not assessed” were not relevant to the scope defined for this audit.

15. OIOS conducted this audit from February to July 2015. The audit covered the period from January 2013 to May 2015.

16. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through

interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

17. The UNICRI governance, risk management and control processes examined were initially assessed as **partially satisfactory**¹ in providing reasonable assurance regarding the **effective management of UNICRI operations**. OIOS made eight recommendations to address issues identified in the audit.

18. Strategic planning and risk assessment was assessed as partially satisfactory because UNICRI needed to establish written guidelines for strategic planning to ensure effective reporting and monitoring of its activities. It also needed to prepare an action plan for implementing the risk management policy and develop a workforce plan to strengthen human resources management.

19. Programme and project management was assessed as partially satisfactory because UNICRI needed to revise its Project Guide to require: (a) the establishment of measurable targets in order to ensure effective reporting and monitoring of project performance; (b) risk assessment; and (c) identification of lessons learned either through evaluations or internal self-assessments before projects are closed. UNICRI also needed to establish a mechanism to ensure that all projects are reviewed by the Project, Portfolio and Programme Review Committee.

20. Regulatory framework was assessed as partially satisfactory because UNICRI needed to: (a) formalize the role of the two advisory committees on programmes, policy and management established by the Board in 2013; (b) review the organizational structure to clarify responsibilities; and (c) consult with the Office of Human Resources Management (OHRM) to review and endorse the framework approved by the Board in 2011 for the recruitment, use and remuneration of fellows.

21. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of seven important recommendations remains in progress.

¹ A rating of “**partially satisfactory**” means that important (but not critical or pervasive) deficiencies exist in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Table 1: Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of UNICRI operations	(a) Strategic planning and risk assessment	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
	(b) Programme and project management	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
	(c) Regulatory framework	Partially satisfactory	Satisfactory	Satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A. Strategic planning and risk assessment

Need to establish guidelines for strategic planning and budgeting

22. The Secretary-General’s Bulletin ST/SGB/2000/8 outlines the Regulations and Rules Governing Programme Planning and the Programme Aspects of the Budget. Key provisions in the guidelines include the requirements for departments and offices to: (i) prepare a medium-term plan or strategic framework by sub-programme; (ii) define expected accomplishments and performance targets for each sub-programme; and (iii) use the medium-term plan or strategic framework as the basis for preparing the programme budgets.

23. UNICRI had six thematic areas of work included in its approved budget as well as its annual report to ECOSOC, which were appropriately aligned with its mandate and objectives. However, UNICRI had not documented a clear strategy for implementing its work and what it was aiming to achieve under each thematic area. According to UNICRI, its strategy was incorporated in the annual reports to ECOSOC. While the annual report to ECOSOC provided an overview of the areas of work that UNICRI was involved in, it focused more on reporting on ongoing projects and activities implemented in the previous year. It did not address what UNICRI was aiming to achieve in each thematic area and the strategy it planned to adopt to achieve its goals.

24. As a result, there was a risk that UNICRI had not adequately thought through and developed an effective strategy to optimize its effectiveness. OIOS attributed the deficiency to the fact that UNICRI had not established internal policies and procedures for strategic planning and budgeting to supplement the broad guidance provided in ST/SGB/2000/8. There was a need for supplementary guidelines tailored to the UNICRI situation, duly approved by the Board in accordance with the Institute’s statute which states that the Board is responsible for formulating principles, policies and guidelines for the activities of the Institute.

(1) UNICRI should: (i) establish internal guidelines on strategic planning and programme budgeting for approval by the Board of Trustees; and (ii) prepare a strategic plan detailing its strategy for implementing the thematic areas of work.

UNICRI accepted recommendation 1 and stated that it will request the Board of Trustees to approve a 25 per cent time strategic planning officer who will be responsible for developing the guidelines and up-dating the plan on an annual basis. Recommendation 1 remains open pending receipt of the guidelines on strategic planning approved by the Board and the strategic plan developed in accordance with the guidelines.

Need to implement the risk management policy approved by the Board

25. The United Nations Enterprise Risk Management and Internal Control Policy adopted in May 2011 requires risk and internal control focal points in departments and offices to customize the Secretariat-wide risk universe to reflect the risks relevant to their entities and monitor the effectiveness of risk management and internal control measures. UNICRI had developed a risk management policy which included components such as definition of risk assessment, risk monitoring and reporting. The policy was approved by the Board in 2013. The Board had also requested that future reports on UNICRI activities should cover risk management and all projects should follow the risk assessment and mitigation approach. However, UNICRI had not identified and categorized its risks and formulated mitigation measures to address them as required by the policy. As risk management was a new initiative, UNICRI needed to prepare an action plan with clear roles and responsibilities to oversee its implementation.

(2) UNICRI should prepare an action plan for implementing the risk management policy approved by the Board of Trustees in 2013.

UNICRI accepted recommendation 2. Recommendation 2 remains open pending receipt of the action plan for implementing the risk management policy approved by the Board.

Need to develop a workforce plan to strengthen human resources management

26. The manual on staff selection requires Heads of Offices to ensure that appropriate mechanisms are in place to capitalize on the strengths of staff and to preserve institutional capacity, taking into account the mobility requirement for all staff members. To effectively do this, offices need to assess their staffing and workforce needs and develop a workforce plan.

27. UNICRI had not assessed its staffing requirements to address the growth in its project activities since 2012. It managed its staffing level on an ad hoc basis, project by project, without a holistic approach aligned to its strategic priorities. UNICRI recruited consultants, individual contractors and fellows interchangeably to fill vacant posts. Fellows were used to perform tasks pertaining to at least 10 vacant positions. Two main projects and the Liaison Office in New York were managed by fellows who were not UNICRI staff members. In addition, three individual contractors had been used for more than three years without any break in service. This indicated a permanent need for individual contractors. UNICRI attributed these weaknesses to the unpredictability of its funding arrangement but acknowledged the need to review its staffing requirements and strengthen human resources management.

28. OIOS is of the view that these deficiencies were due to the fact that UNICRI had not established a practice of assessing its workforce needs and structure as part of the budgeting and strategic planning process. In particular, it was essential for UNICRI to identify its core staffing needs and structure, and how they will be funded from the various revenue streams (general purpose funds or programme support costs). Whilst new projects were under negotiation, current project staff expressed concern about their future in UNICRI due to the upcoming end of their project activities. This showed the need for a clear strategy for staff reduction and reallocation.

(3) UNICRI should assess its staffing level taking into account its current and future needs and develop an appropriate workforce plan to address its human resources requirements.

UNICRI accepted recommendation 3 and stated that given the nature of its operations and limitation of resources, UNICRI can assess its staffing level (and does so each biennium during the budgeting process), but cannot fully implement this recommendation at this time. The ongoing operations do not have provision for cost sharing of the additional staff that is needed to strengthen its organizational structure and core staff. However, UNICRI will strive to convince the donors to include the additional costs of its organizational structure in future projects. Within available resources, UNICRI however introduced one D-1 Deputy Director, 1 P-3 Fund Management Officer and 4 additional support staff in its budget estimates for 2016-2017. Recommendation 3 remains opened pending receipt of the staffing level assessment and workforce plan included in the 2016-2017 budget.

B. Programme and project management

The Project Guide needed to be revised

29. UNICRI had developed a Project Guide to assist project staff in the planning, execution and closing-out of projects. However, the Project Guide did not include guidelines or requirements on establishing measurable targets, performing risk assessments, and preparing project completion reports, which are essential for effective project management. As a result, there were inconsistencies in the quality of the project planning documents and final reports of completed projects. Eight of the 10 projects reviewed by OIOS had not established measurable targets or risk management plans. Defining measurable targets is essential to facilitate effective performance monitoring, while risk assessment would help ensure that strategies to address high risks are thought through and incorporated in the project design as appropriate. Further, the final reports of three completed projects were in different formats and did not clearly show whether lessons learned were identified to help improve the delivery of similar projects in future. Lessons learned can be identified through self-assessment in cases where projects are not evaluated.

(4) UNICRI should revise its Project Guide to include guidelines and requirements for projects to establish measurable targets, assess risks and identify lessons learned before they are closed.

UNICRI accepted recommendation 4 and stated that it developed a revised and updated project document template and related Project Guide. The UNICRI logical framework annexed to the new project document template or templates required by donors includes baseline and targets for the indicators related to the objective, outcomes and outputs. The requirement mentioned in the project document template includes the preparation of risk assessment and completion report. As new projects come online, they will use the new template. Based on the action taken by UNICRI, recommendation 4 has been closed.

Need for a mechanism to ensure that all projects are reviewed by the Project, Portfolio and Programme Review Committee

30. UNICRI had established the Project, Portfolio and Programme Review Committee (or Project Review Committee) to oversee compliance with established guidelines and ensure that project objectives were aligned to the Institute's mandate and overall strategy. However, there was no evidence that project proposals or planning documents were submitted to the Project Review Committee for review. Three out

of five project managers interviewed indicated that they were not aware of the existence of the Project Review Committee or any governance mechanism for approving new project proposals. In the absence of reviews by the Project Review Committee, there was inadequate oversight to ensure compliance with established guidelines for project planning and coherence of project activities. In three out of 10 projects reviewed, there was no documentation of linkages with ongoing UNICRI activities and possible partnerships, which made it difficult to assess how the projects' objectives were linked to the sub-programme. UNICRI needed to establish a mechanism to ensure that all projects are reviewed by the Project Review Committee before implementation. For example, there could be a requirement that evidence of review by the Project Review Committee should be provided before funding or budget appropriations for new projects are recorded in the accounting system.

(5) UNICRI should establish a mechanism to ensure that all projects are reviewed by the Project, Portfolio and Programme Review Committee before commencement of their implementation.

UNICRI accepted recommendation 5 and stated that the description of the project approval mechanism was submitted to OIOS. Recent project review forms will be submitted. Recommendation 5 remains open pending receipt of evidence that new projects are reviewed by the Project, Portfolio and Programme Review Committee before they are implemented.

C. Regulatory framework

Need to formalize the role of the advisory committees on programmes, policy and management

31. As per the UNICRI statute, the Board is required to approve the work programme and budget proposals and also monitor the Institute's activities on the basis of periodic reports submitted by the Director. UNICRI Board members met once a year and reported to ECOSOC on the Institute's activities. In 2013, two advisory committees on programmes, policy and management were established by the Board to provide guidance to the Director on addressing critical issues during the period between the Board meetings (inter-session period). There was no documentation on the activities of the committees since their establishment. UNICRI stated that they were "ad hoc committees" and members were called individually by the Director on relevant matters as they emerged. The terms of reference of the two committees and arrangements for reviewing the decisions made by the committee during the inter-session period had also not been established. Since the two committees could play an important role of ensuring continued guidance, support and oversight during the inter-session period, it was essential that their terms of reference and working arrangements are appropriately defined.

(6) UNICRI, in consultation with the Board of Trustees, should formalize the role of the two advisory committees on programmes, policy and management.

UNICRI accepted recommendation 6 and stated that the Board of Trustees will decide how they would like to proceed with or without the two advisory committees. Recommendation 6 remains open pending receipt of the approved terms of reference of the two advisory committees on programmes, policy and management.

Need to review the organizational structure to clarify responsibilities and reporting relationships for greater coherence and synergies

32. As a good practice in many United Nations organizations, an organizational structure should reflect the programme of work with clear reporting lines, roles and responsibilities to support the

achievement of objectives. The organizational structure should also be periodically reviewed to ensure that it continues to optimally support the achievement of strategic and operational objectives.

33. During the audit, UNICRI changed its organizational structure to reflect its current projects and reporting lines. Roles and responsibilities relating to the new structure had yet to be defined. According to the new organizational structure, the substantive section included four main programmes: (a) security governance and countering the appeal of terrorism; (b) training and advanced education; (c) criminal justice and protection of vulnerable groups; and (d) countering the threat of crime. The four main programmes were linked to four of the six thematic areas. It was not clear which programme was accountable for the remaining two thematic areas.

34. There were three liaison offices and eight outpost offices. Heads of liaison offices reported to the Director although they had tasks related to project management. For instance, the Rome Office, which was headed by a staff member at the P-4 level, was part of the criminal justice programme but reported to the Director. Similarly the head of the Rio de Janeiro liaison office who was part of the major events project also reported to the Director. Further, UNICRI had not designated focal points for each programme in order to achieve greater coherence and synergies in its planned activities and projects. The absence of clearly defined roles and responsibilities between projects and liaison office managers may hamper UNICRI ability to manage and monitor its activities effectively.

(7) UNICRI should review its organizational structure and clarify responsibilities for greater coherence and synergies in its planned activities and projects.

UNICRI accepted recommendation 7 and stated that the organizational structure was reviewed during the initial phase of the strategic planning and again during the budget process. UNICRI is aware of the need for articulated roles and responsibilities and will address this important issue when appropriate personnel are approved by the Board of Trustees and are hired. Recommendation 7 remains open pending receipt of evidence that the organizational structure has been reviewed and roles and responsibilities clarified.

Controls relating to the selection of consultants, individual contractors and vendors were operating satisfactorily

35. UNICRI used consultants and individual contractors extensively for project development and implementation. From January 2013 to December 2014, UNICRI hired 153 consultants at a cost of \$1.2 million and 40 individual contractors at a cost of \$715,000. OIOS reviewed 20 consultant and six individual contractor recruitment cases and identified only one case where there was inadequate evidence on file to show that the selection had been made in accordance with established guidelines. However, the selected candidate had the required qualifications stipulated in the terms of reference and this was the only exception noted. OIOS review of eight procurement cases also showed that procurement actions were performed in accordance with United Nations procurement policies and procedures. Further, procurement actions were in accordance with the delegation of authority. OIOS therefore concluded that the controls relating to the selection of consultants, individual contractors and vendors were operating satisfactorily.

Need for OHRM to review and approve the framework for the recruitment, use and remuneration of fellows

36. UNICRI had employed 13 senior and 42 junior fellows at a total cost of \$1.6 million from January 2013 to December 2014. The UNICRI statute states that fellows shall be designated in accordance with the procedures formulated by the Secretary-General. UNICRI had established guidelines

for recruitment of fellows in 2004 which were revised in 2011 to address recommendations made by OIOS in the 2009 audit of UNICRI (AE2009/383/02). The new guidelines were approved by the Board in its October 2012 session. However, the guidelines were not reviewed and endorsed by OHRM as required by the statute. UNOV Human Resources Management Service, in consultation with OHRM, had proposed to UNICRI that it follow the procedures in the administrative instruction on selection of consultants and individual contractors (ST/AI/2013/4) for the management of fellows and use the same remuneration structure used for consultants. This proposal was not endorsed by UNICRI and the Board on the grounds that it would be costly and would significantly reduce the number of fellows UNICRI could hire. No alternative procedures or guidelines had been agreed upon with the Board or OHRM.

37. In addition, UNICRI employed fellows for many years without clearly documented justification, contrary to both the 2012 and 2004 guidelines which stated that fellows should be recruited for a maximum of 24 months and 10.5 months respectively. Out of the 26 junior fellows who were employed by UNICRI as of May 2015, nine had been junior fellows for more than three years and their contract duration ranged from three to almost seven years. Three of the 10 senior fellows who were employed by UNICRI as of May 2015 had been on board for over four years and their contract duration ranged from 4 to almost 10 years. In addition, fellows were sometimes used to fill vacant posts and perform the functions of regular staff, contrary to the 2012 guidelines. There was a need to review and update the existing guidelines in consultation with OHRM to ensure that all aspects related to the recruitment, use and remuneration of fellows were defined and appropriately authorized and compliance enforced.

(8) UNICRI should consult with OHRM to formalize the framework approved by the Board for the recruitment, use and remuneration of fellows.

UNICRI accepted recommendation 8 and stated that the Board is responsible for developing the criteria for selection and use of the Fellows. The Secretary-General, through OHRM is responsible for the remuneration. The Board of Trustees will review this recommendation at their annual meeting. Using their guidance, the Director will work with OHRM through UNOV to finalize the remuneration agreed upon. Recommendation 8 remains open pending receipt of the framework formalized in consultation with OHRM.

Bank reconciliations were completed and well supported

38. The review of four monthly bank reconciliations showed that they were completed in a timely manner and were well supported. OIOS therefore concluded that the controls in place for bank reconciliations were operating as intended.

IV. ACKNOWLEDGEMENT

39. OIOS wishes to express its appreciation to the Management and staff of UNICRI for the assistance and cooperation extended to the auditors during this assignment.

(Signed) David Kanja
Assistant Secretary-General, Acting Head
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Interregional Crime and Justice Research Institute

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	UNICRI should: (i) establish internal guidelines on strategic planning and programme budgeting for approval by the Board of Trustees; and (ii) prepare a strategic plan detailing its strategy for implementing the thematic areas of work.	Important	O	Receipt of the guidelines on strategic planning approved by the Board, and the strategic plan developed in accordance with the guidelines.	31 January 2017
2	UNICRI should prepare an action plan for implementing the risk management policy approved by the Board of Trustees in 2013.	Important	O	Receipt of the action plan for implementing the risk management policy approved by the Board.	28 February 2016
3	UNICRI should assess its staffing level taking into account its current and future needs and develop an appropriate workforce plan to address its human resources requirements.	Important	O	Receipt and review of the staffing level assessment and workforce plan included in the 2016-2017 budget.	31 December 2016
4	UNICRI should revise its Project Guide to include guidelines and requirements for projects to establish measurable targets, assess risks and identify lessons learned before they are closed.	Important	C	Action completed	Implemented
5	UNICRI should establish a mechanism to ensure that all projects are reviewed by the Project, Portfolio and Programme Review Committee before commencement of their implementation.	Important	O	Receipt of evidence that new projects are reviewed by the Project, Portfolio and Programme Review Committee before they are implemented.	31 December 2016
6	UNICRI, in consultation with the Board of Trustees, should formalize the role of the two advisory committees on programmes, policy and management.	Important	O	Receipt of the approved terms of reference of the two advisory committees on programmes, policy and management.	31 January 2016
7	UNICRI should review its organizational structure and clarify responsibilities for greater coherence and synergies in its planned activities and projects.	Important	O	Receipt of evidence that the organizational structure has been reviewed and roles and responsibilities clarified.	31 January 2017

² Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

³ Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁴ C = closed, O = open

⁵ Date provided by UNICRI in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Interregional Crime and Justice Research Institute

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
8	UNICRI should consult with OHRM to formalize the framework approved by the Board for the recruitment, use and remuneration of fellows.	Important	O	Receipt of the framework formalized in consultation with OHRM.	30 June 2017

APPENDIX I

Management Response



Cindy J. Smith
Director

Turin, 23 November 2015
UNICRI 141/DIR/EGS

Dear Mr. Kumar,

I wish to express my gratitude for concluding the audit, Assignment No. AE2015/383/01 on UNICRI, which provided us with an opportunity to assess UNICRI's strengths and weaknesses. Since the previous audit that took place in 2009, UNICRI's achievements are remarkable and I would be grateful that a reference to those achievements is made in the report.

As you are aware, at the time of the 2009 audit, UNICRI was depending on only one donor and was about to close its doors. Since then, UNICRI has grown exponentially by diversifying its donor base and has widened its field of operations. UNICRI's average expenditure reaches approximately 12 Million USD per year with a network of 10 different donors and implementing more than 50 projects.

In the midst of this remarkable growth, the number of personnel in the management unit has remained the same, while the workload grew proportionately. For example, the unit has strived hard to process and administer an increased strength of total personnel from 20 to nearly 100. Thus, delays in filling vacant posts should incorporate this perspective.

Our focus over the next few years will be on stabilizing the funding sources, continuing to increase donor confidence, and ensuring the necessary support structures are in place at headquarters to guarantee effective support services to the staff implementing activities in HQ and Field.

I am sending you the action plan with target dates and title of the individuals responsible for the implementation of the recommendations you have made in your report as Appendix 1.

Please note that paragraph 23 forms the foundation for the first recommendation. However, ST/SGB/2000/8 appears not to be intended for solely extra-budgetary resourced entities. It is intended for those having both general funds and extra-budgetary resources and for those with solely general funds. If UNICRI is bound to this document, then UNICRI must submit its budget during the budgetary process, which is not the case. Thus, we are awaiting instructions from UNHQ on its applicability.

Please accept, Mr. Kumar, the assurances of my highest consideration and appreciation for your understanding.

Cindy J. Smith

Management Response

Audit of the United Nations Interregional Crime and Justice Research Institute

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNICRI should: (i) establish internal guidelines on strategic planning and programme budgeting for approval by the Board of Trustees; and (ii) prepare a strategic plan detailing its strategy for implementing the thematic areas of work.	Important	Yes	Strategic Planning Officer for 1 (i) Sr. Programme Officer for 1(ii)	December 2016 December 2016 January 2017	Request Board of Trustees to approve a 25 percent time strategic planning officer who will be responsible for developing the guidelines and updating the plan on an annual basis. Submit internal guidelines on strategic planning and programme budgeting for approval by the Board of Trustees. The Planning Officer will provide guidance to the Sr. Programme Officer to prepare the detailed plan.
2	UNICRI should prepare an action plan for implementing the risk management policy approved by the Board of Trustees in 2013.	Important	Yes	Sr. Programme Officer	February 2016	

¹Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

²Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

Audit of the United Nations Interregional Crime and Justice Research Institute

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3	UNICRI should assess its staffing level taking into account its current and future needs and develop an appropriate workforce plan to address its human resources requirements.	Important	Yes	Chief, Centralized Management Unit	completed	UNICRI takes note of the recommendation. Given the nature of UNICRI operations and limitation of resources, UNICRI can assess its staffing level (and does so each biennium during the budgeting process), but cannot fully implement this recommendation at this time. The ongoing operations do not have provision for cost sharing of the additional staff that is needed to strengthen its organizational structure and core staff. However UNICRI will strive to convince the donors to include the additional costs of its organizational structure in future projects. Within available resources, UNICRI however introduced, one D1, Deputy Director, 1P3, Fund Management Officer and 4 additional support staff in its budget estimates for 2016-17. These are documented in the draft budget document before the Board of Trustees.
4	UNICRI should revise its Project Guide to include guidelines and requirements for projects to establish measurable targets, assess risks and identify lessons learned before they are closed.	Important	Yes	Sr. Programme Officer	completed	Revised Project Guide submitted.

Management Response

Audit of the United Nations Interregional Crime and Justice Research Institute

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
5	UNICRI should establish a mechanism to ensure that all projects are reviewed by the Project, Portfolio and Programme Review Committee before commencement of their implementation.	Important	Yes	Sr. Programme Officer	December 2016	The description of the project approval mechanism was submitted. Recent project review forms will be submitted.
6	UNICRI, in consultation with the Board of Trustees, should formalize the role of the two advisory committees on programmes, policy and management.	Important	Yes	Board of Trustees	January 2016	The Board of Trustees will decide how they would like to proceed with or without the two advisory committees.
7	UNICRI should review its organizational structure and clarify responsibilities for greater coherence and synergies in its planned activities and projects.	Important	Yes	Chief, Centralized Management Unit	January 2017	The organizational structure was reviewed during the initial phase of the strategic planning and again during the budget process. UNICRI is aware of the need for articulated roles and responsibilities and will address this important issue when appropriate personnel are approved by the Board of Trustees and are hired.

Management Response

Audit of the United Nations Interregional Crime and Justice Research Institute

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
8	UNICRI should consult with OHRM to formalize the remuneration of fellows and the framework approved by the Board for the recruitment and use of fellows.	Important	With revision	Board of Trustees, UNOV, OHRM, & the Director	December 2016 June 2017	The Board is responsible for developing the criteria for selection and use of the Fellows. The Secretary General, through OHRM is responsible for the remuneration. The Board of Trustees will review this recommendation at their annual meeting. Using their guidance, the Director will work with OHRM through UNOV to finalize the remuneration agreed upon.