



INTERNAL AUDIT DIVISION

REPORT 2018/141

**Audit of human resources
management at the United Nations
Institute for Training and Research**

**Controls over the management of human
resources needed to be strengthened**

**19 December 2018
Assignment No. AE2018/381/01**

Audit of human resources management at the United Nations Institute for Training and Research

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of human resources management at 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 over the management of human resources at UNITAR. The audit covered the period from January 2016 to September 2018 and included a review of: (a) workforce planning; (b) the policy framework; (c) recruitment and management of staff; and (d) recruitment and management of non-staff personnel.

The audit showed that UNITAR had established some good practices for workforce planning and complied with its administrative circulars on recruitment and administration of staff. However, some controls over the management of human resources needed to be strengthened.

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

- Improve the clarity of presentations of staffing and other workforce requirements to governing bodies;
- Establish a clear policy framework for human resources management and ensure that any deviations from the United Nations Staff Regulations and Rules are reported to the Board;
- Disseminate its procedures on management of complaints and grievances and address concerns raised by staff regarding transparency of the complaints mechanisms and fear of retaliation;
- Strengthen recruitment procedures for D-1 posts and avoid different treatments of similar situations in the application of the promotion policy which may give rise to perception of favouritism;
- Ensure that all classification officers are adequately trained and establish mechanisms for independent review of classification of posts in the Division for Operations;
- Assess its needs and select appropriate information technology solutions for processing and managing human resources functions such as recruitment, performance evaluation and leave management;
- Establish requirements and mechanisms for divisions to track and report on compliance with mandatory training;
- Ensure that fellows are financed from special purpose grants as required by its Statute and establish clear guidelines for remuneration of Advisers to avoid unexplained inconsistencies; and
- Ensure that its interns have appropriate insurance coverage before they are authorized to undertake official travel.

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

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Audit of human resources management at the United Nations Institute for Training and Research

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of human resources management at the United Nations Institute for Training and Research (UNITAR).
2. UNITAR was established by the Secretary-General pursuant to General Assembly resolution 1934 (XVIII) of 11 December 1963 and resolution 42/197 of 11 December 1987 as an autonomous body within the framework of the United Nations. Its main purpose is to enhance the effectiveness of the United Nations by: (a) conducting training programmes in multilateral diplomacy and international cooperation in the field of social and economic development; (b) carrying out research; and (c) establishing cooperation with other inter-governmental organizations, faculties and academic institutions.
3. UNITAR is governed by a Board of Trustees (the Board) appointed by the Secretary-General in consultation with the President of the General Assembly and the President of the Economic and Social Council. The Board formulates principles and policies to govern the activities and operations of the Institute and approves the work programme. Per its statute, UNITAR is subject to the United Nations Financial Regulations and Rules and the United Nations Staff Regulations and Rules. As a separately administered entity, UNITAR is not obliged to follow the United Nations Secretariat's administrative issuances including Secretary-General's Bulletins and Administrative Instructions unless it expressly accepts their applicability. UNITAR had established its own administrative circulars to guide the administration and management of staff and non-staff personnel and also used selected United Nations secretariat administrative issuances.
4. UNITAR is headed by an Executive Director (at the level of Assistant Secretary-General) appointed by the Secretary-General after consultation with the Board. It does not receive funds from the United Nations regular budget. Its activities are self-funded and supported by voluntary contributions from governments, agencies, and private donors. In 2018, UNITAR had 62 posts approved by the Board. Its 2018-2019 budget was \$55.5 million of which \$23.8 million (43 per cent) related to costs of staff and non-staff personnel. The total staff and non-staff costs for the 2016-2017 biennium were \$20 million representing 39 per cent of the total expenditure. The UNITAR Human Resources (HR) Unit had one P-3 and one G-4 staff who reported to the Director, Division for Operations. The HR Unit is responsible for providing services including recruitment, processing requests for entitlements, training and staff administration. During the period from 1 January 2016 to June 2018, UNITAR completed 30 recruitment actions including 12 promotions and a total of 13 staff members separated from the Institute.
5. UNITAR's headquarters is in Geneva and it has out-posted offices in New York and Hiroshima and a project office in Port Harcourt in Nigeria.
6. Comments provided by UNITAR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the management of human resources at UNITAR.

8. This audit was included in the 2018 risk-based work plan of OIOS due to the risk that potential weaknesses in management of human resources could adversely affect UNITAR's ability to achieve its objectives and goals.

9. OIOS conducted this audit from July to October 2018. The audit covered the period from January 2016 to September 2018. Based on an activity-level risk assessment, the audit covered risk areas in the management of human resources which included: (a) workforce planning; (b) the policy framework; (c) recruitment and management of staff; and (d) recruitment and management of non-staff personnel.

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

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

III. AUDIT RESULTS

A. Workforce planning

UNITAR had established some good practices for workforce planning

12. UNITAR had established a cost recovery model that included recovering programme support costs of 7 per cent and direct support costs of between 6 and 11 per cent from all earmarked contributions. The funds recovered formed part of the General Fund of UNITAR and were used to finance, among others, staffing costs in the Office of the Executive Director, the Division for Operations and the Division for Strategic Planning and Performance. The level of staff and non-staff personnel required to directly implement projects and activities were determined at the division level depending on availability of funding and incorporated in project budgets and the UNITAR overall budget as appropriate. Mechanisms were in place to track funding for individual posts and contracts were renewed based on the funding available. A revolving fund of \$1 million was set within the General Fund to provide loans to the programmes for cash flow purposes. UNITAR had also developed a risk management policy and risk register which included significant risks on funding and staffing. UNITAR indicated that the risk register would be shared with Directors to get their input on risks. This would help to capture concerns raised by staff about limited mobility within divisions, use of non-staff personnel and limited opportunities for professional growth. Staffing requirements were reviewed by the Board and the Advisory Committee on Administrative and Budgetary Questions (ACABQ) although improvements could be made in the clarity of information presented to them, as discussed below.

Need for clearer presentation and analysis of workforce requirements in submissions to the Board

13. As stated in Article III of the UNITAR Statute, the Board has the responsibility to approve UNITAR's budget and to review the composition, structure and staffing to be funded from the General Fund. It is therefore essential that the information provided to the Board is clear and adequate to enable it to provide effective oversight and support. UNITAR presented its requirements for posts to the Board and the ACABQ as part of the budget presentation and review process. The ACABQ report was presented to the Board. OIOS review of the submissions and the Board's deliberations showed the following gaps in the information submitted which needed to be addressed to improve clarity of the presentations.

a) Need to clearly show and justify staffing needs in each division and improve alignment to the budget

14. The staffing table in the 2018-2019 biennium budget provided an overview of the 62 approved posts by grade but not by division. Since workforce planning at UNITAR is largely decentralized at the division level, the staffing requirements and changes in staffing levels or upgrades in posts would be clearer if the presentations and rationale of staffing levels were presented by division. This would be in line with results-based budgeting and consistent with the comment made by the Board in its 2017 meeting that there was need for further clarity and concordance between the strategic framework, the programme budget and the staffing table. Further, the 2018-2019 budget only had allocations for 51 of the 62 approved posts; the remaining 11 posts were unfunded. The ACABQ was presented with staffing details of funded posts although explanations on changes in total number of posts related to unfunded posts, and the Board was presented with a staffing table and organizational chart that showed details and explanations for both funded and unfunded posts. Combining presentations and explanations of funded and unfunded posts affected clarity and led to gaps in important information. For example, the presentations to ACABQ in 2017 did not address the proposed upgrade of three P-5 posts to D-1 and the presentations to the Board did not have clear documentation on the upgrade of a post in the Division for Operations from P-3 to P-4. The presentations and budget submissions would be clearer if the organization chart and staffing tables presented to the Board and ACABQ were aligned and only addressed the funded posts. The details of the unfunded posts could be presented separately since they are not included in the budget proposals and are not part of the actual organization chart/structure in use.

b) Need to include information on non-staff in the submission to the Board

15. UNITAR relies heavily on non-staff personnel (consultants, fellows, interns and individual contractors) in its workforce. According to the 2016-2017 performance report, UNITAR had 642 consultancy contracts, 113 interns/trainees, 58 fellows, and 15 personnel under special agreements during the biennium. The 2018-2019 budget submission to the Board did not clearly address this aspect of the workforce. Information on non-staff personnel was presented to ACABQ upon enquiry during the review of the 2018-2019 budget. However, this information was not visible to the Board as evidenced by the fact that the Board requested a detailed staffing table for future budgets to better understand the categories of staff and non-staff personnel. UNITAR should, as a standard, present the estimated level of non-staff personnel alongside the regular staffing requirements for each division to provide a clearer picture of its workforce requirements. The nature of UNITAR's activities and its funding model (reliance on voluntary contributions) requires reliance on non-staff personnel. It would be useful for UNITAR to occasionally analyze and determine whether there are any functions performed by non-staff personnel on a continuous basis, that should be performed by regular staff and incorporate the results of the analysis in the report to the Board.

c) The budget and use of General Fund could be presented more clearly

16. The General Fund financed 17 of the 43 regular posts and was also used for the costs of administrative services provided by the United Nations Development Programme (UNDP) and the United Nations Office at Geneva (UNOG) which were approximately \$300,000 in 2017. The 2018-2019 budget presented to the Board did not include a separate consolidated financial report or budget for the General Fund. There were some details relating to the General Fund in different parts of the budget document and presentations. In view of the significance of the General Fund in financing staffing and other programme support costs, UNITAR needs to present to the Board clearer information on income, expenditure (by major expense categories) and reserve balances of the General Fund in one statement. In the United Nations Secretariat, for example, separate budgets and financial reports are prepared on use of programme support costs.

(1) UNITAR should improve the clarity of presentations of staffing and other workforce requirements to governing bodies by: (a) presenting the staffing requirements by division to better align them with results; (b) including details on use of non-staff personnel and any related analysis; (c) excluding unfunded posts from the staffing table and organizational chart and presenting them separately; and (d) presenting a separate financial report and budget for the General Fund.

UNITAR accepted recommendation 1. Recommendation 1 remains open pending receipt of evidence that presentations to the Board and ACABQ for 2019 include: (a) staffing requirements by division; (b) details on use of non-staff personnel; (c) staffing table and organizational chart of funded posts; (d) details of unfunded posts; and (e) a financial report and budget for the General Fund.

B. Policy framework

Need to establish a clear policy framework for human resources management

17. Article IV of the Statute states that the terms and condition of staff shall be those provided for in the Staff Regulations and Rules subject to such arrangements for special rules or terms of appointment as may be approved by the Secretary-General on the recommendation of the Board. The Statute also gives the Executive Director the authority to appoint and direct staff as part of his/her overall responsibility for managing the institute and states in Article V (1) that this should be done consistently with the applicable resolutions and decisions of the General Assembly and policies formulated by the Board.

18. The terms and conditions for appointment of fellows were approved by the Board as required by the Statute. UNITAR had also established its own administrative circulars to guide the recruitment and management of staff and application of the Staff Regulations and Rules. UNITAR indicated that administrative circulars were submitted to the Board for information but since they are not policy decisions, they were not formally approved by the Board and were not reflected in Board minutes. OIOS reviewed the administrative circulars relating to recruitment and management of staff and noted that they were generally in line with the Staff Regulations and Rules except for the following deviations which should have been reported to the Board in line with Article IV of the Statute:

(a) UNITAR's decision not to grant continuing appointments due to the unpredictable nature of its funding which is a deviation from Staff Rule 4.14b that requires staff to be granted continuing appointments after two years on a fixed term contract.

(b) UNITAR's promotion policy which allows for direct promotion of staff without competitive selection in cases where the incumbent's post is reclassified to a higher level. This is a deviation from Staff Regulation 4.3 which states that so far as it is practicable, selections shall be made on a competitive basis.

(c) UNITAR's decision not to have the D-1 recruitments reviewed by a review body which is a deviation from the principles in Staff Rule 4.15. As recommended later in the report, UNITAR should consider establishing mechanisms for D-1 recruitment cases to be reviewed by a review body to strengthen controls.

19. An opinion given by the Office of Legal Affairs in 2008 confirmed that the United Nations Secretariat's administrative issuances do not apply to UNITAR, but this does not preclude their use by UNITAR as guidance in applying the United Nations Staff Regulations and Rules. UNITAR adopted the Secretariat's administrative issuances relating to entitlements. OIOS' review of a sample of entitlements (education grant, home leave and relocation grant) confirmed that UNITAR generally complied with the

relevant administrative issuances. However, UNITAR needs to formalize the use of the administrative issuances by clearly stating that they are applicable to its staff and incorporate them in its policy framework.

20. In addition, UNITAR needs to clarify whether it intends to use the following administrative issuances which address issues or areas that are currently not addressed in its administrative circulars: (a) System for the classification of posts (ST/AI/1998/9); (b) Protection from sexual exploitation (ST/SGB/2003/13); (c) Protection against retaliation for reporting misconduct (ST/SGB/2017/2); (d) Policy on breastfeeding (ST/SGB/2003/14); (e) Recovery of overpayment (ST/AI/2009/1); (f) Unsatisfactory conduct, investigations and the disciplinary process (ST/AI/2017/1); and (g) After service health insurance scheme (ST/AI/2007/3). Having a clear policy framework is essential to enable all staff to clearly understand the policies that are applicable to them.

(2) UNITAR should: (a) establish a clear policy framework for human resources management that shows which administrative issuances of the United Nations Secretariat it has adopted for use; and (b) ensure that any deviations from the United Nations Staff Regulations and Rules are reported to the Board.

UNITAR accepted recommendation 2. Recommendation 2 remains open pending receipt of: (a) evidence that a clear policy framework has been established that shows which administrative issuances of the United Nations Secretariat have been adopted for use; and (b) minutes of Board meetings showing that the current deviations from the United Nations Staff Regulations and Rules have been reported to the Board.

Need to disseminate the arrangements for dealing with grievances

21. As a best practice in the United Nations system, UNITAR is required to provide to its staff an independent, voluntary and confidential process to facilitate the resolution of grievances, complaints and conflicts in the work place. UNITAR had delegated some of its ethics oversight functions to the United Nations Ethics Office and indicated in its administrative circular (AC/UNITAR/2009/02) that the United Nations policy on ethics (ST/SGB/2007/11) applies to UNITAR. For the management of complaints such as procurement fraud, outside activities and recruitment, UNITAR had created an integrity and ethics oversight committee comprising of three staff members to receive complaints, undertake preliminary investigations and report to the Executive Director. UNITAR's Memorandum of Understanding with UNOG included the provision of legal services on HR-related matters such as interpretation of the staff regulations and rules, handling of performance rebuttal procedures, and dealing with misconduct such as harassment claims.

22. An OIOS survey showed that UNITAR's staff and non-staff personnel were generally aware of the required behavioral standards. However, only 27 per cent (19 staff and fellows) were satisfied with the way employee complaints were handled by management. Concern was expressed about: (a) lack of a transparent and efficient system to handle complaints; (b) fear of retaliation due to lack of an independent process; and (c) lack of sufficient training to handle complaints in a confidential manner. The survey results point to the need for UNITAR to disseminate the existing procedures on management of complaints and grievances and follow up on the general dissatisfaction that staff have expressed.

(3) UNITAR should disseminate its procedures on management of complaints and grievances and address concerns raised by staff regarding transparency of the complaints mechanism and fear of retaliation.

UNITAR accepted recommendation 3. Recommendation 3 remains open pending receipt of evidence that procedures on management of complaints and grievances have been disseminated and action has been taken to address concerns raised regarding transparency and fear of retaliation.

C. Recruitment and management of staff

Need to strengthen recruitment controls for Director level staff

23. UNITAR's administrative circular on recruitment (AC UNITAR/2017/06) outlines the recruitment procedures which include requirements to post vacancy announcements for 30 days; screen and short list candidates; and establish interview panels with at least three persons including a staff member from the HR Unit. The Appointment and Promotion Board (APB) composed of four members elected by staff and four members nominated by the Executive Director is required to review all the recruitment cases up to P-5 level. For the recruitment of D-1 and D-2 staff, the administrative circular requires vacancies to be advertised in the same way as that for the recruitment of staff up to P-5 level. The short list is to be established by a panel composed of two staff members and the Chief HR Unit and approved by the Executive Director. The Executive Director is required to conduct the interviews with the participation of the Chief HR Unit.

24. OIOS' review of 21 of the 28 recruitment and promotion cases completed during the period under review showed that UNITAR generally complied with its administrative circulars, but existing procedures relating to recruitment of D-1 staff needed to be strengthened and inconsistencies that could cause perceptions of favoritism avoided as discussed below:

(a) For all the 12 recruitments up to P-5 level reviewed, vacancies were advertised for the required period; evaluation criteria were generic; and applications were appropriately screened, shortlists were prepared, and candidates invited for interviews. Panel members included at least one woman, as required. The recruitment cases were reviewed and recommended by the APB for the Executive Director's approval. Background checks for the shortlisted candidates were performed by the HR Unit.

(b) For selection to D-1 posts, OIOS reviewed seven cases all of which related to staff being promoted from P-5 to D-1. In four of the seven cases, the recruitment was done through a competitive process. Although the recruitment guidelines did not require the constitution of an interview panel for D-1 cases, UNITAR established a panel and invited staff of other United Nations organizations at the same or higher level to participate. This is a good practice that should be formalized, and the existing procedures should be revised accordingly. UNITAR should establish mechanisms for the D-1 recruitment cases to be reviewed by a review body in line with Staff Rule 4.15 (f) to improve controls and be consistent with the recruitment of staff up to P-5 level.

(c) The other three of the seven D-1 recruitments were done by direct promotion of P-5 staff without going through a competitive process. As recommended earlier in the report, direct promotion without competitive recruitment is a deviation from the Staff Regulations and Rules that needs to be reported to the Board. From the sample reviewed, there was also a P-2 post which was reclassified to P-3 but in this case, the incumbent was selected through a competitive process. Such differences in treatment of similar situations could lead to the perception of favouritism and should be avoided.

(4) UNITAR should: (a) strengthen recruitment procedures for D-1 posts by establishing mandatory requirements for assessment by interview panels and review by a review body; and (b) avoid different treatment of similar situations in the application of the promotion policy which may give rise to perception of favouritism.

UNITAR accepted recommendation 4. Recommendation 4 remains open pending receipt of evidence that: (a) the administrative circular on recruitment procedures for D-1 posts has been revised to include the requirement for assessment by interview panels and review by a review body; and (b) the promotion policy has been reviewed and refined to avoid different treatment of similar situations in its application.

Need to train classification officers and establish alternative mechanisms for classifying posts

25. Staff Rule 2.1 requires that posts other than those of Under-Secretary-General and Assistant Secretary-General shall be classified by a competent United Nations body according to standards promulgated by the Secretary-General. UNITAR was granted delegation of authority to classify posts up to D-1 level by the Assistant Secretary-General of the Office of Human Resources Management (OHRM). The authority was granted on the basis that UNITAR classification officers were formally trained by the International Civil Service Commission (ICSC) to their classification standards and methods. Currently, of the three classification officers at UNITAR (the Director Division for Operations, an HR Officer and the Communications Officer), only the Director Division for Operations was trained by the ICSC. The other two classification officers were trained on the job by the Director Division for Operations. While on-the-job training is effective, it would be useful to provide formal training to all the classification officers to enhance their technical knowledge and exposure particularly given the importance of classification and the fact that the delegation of authority was granted on the basis that the classification officers at the time had attended formal training provided by ICSC. During the period under review, UNITAR had reclassified posts from P-3 to D-1 levels. This included two posts relating to two of the classifying officers (the Director Division for Operations post which was reclassified from P-5 to D-1 and the HR Officer post which was reclassified from P-2 to P-3 and upgraded to P-4 in the 2018 budget). UNITAR needs to establish alternative mechanisms for classifying posts in the Division for Operations to avoid conflict of interest situations such as the 2018 case where classifying officers reclassified the post of their supervisor.

(5) UNITAR should: (a) ensure that classification officers are adequately trained in line with the provisions granting UNITAR the authority to classify posts; and (b) establish mechanisms for independent review of classification of posts in the Division for Operations.

UNITAR accepted recommendation 5 and stated that while it accepts the recommendation, Management does not consider training by ICSC as a priority. The implementation of the recommendation may be delayed depending on when the ICSC will deliver training in Geneva or on-line. This is also in line with the UNITAR travel policy which stipulates that travel shall only be approved if there is no other means. Recommendation 5 remains open pending receipt of evidence that all the classification officers have been trained and mechanisms have been established for independent review of classification of posts in the Division for Operations.

Need for an appropriate technology solution for processing and managing human resources functions

26. Significant parts of the human resources processes at UNITAR were still manual. The recruitment process was conducted outside of the e-recruitment system. Candidates submitted their applications through emails and prescreening was done manually by an individual contractor hired on a need basis. This made the prescreening inefficient and affected reliability of the results. Performance evaluation reports for staff and non-staff personnel were also done manually. Further, maintenance of the list of non-staff personnel on board (approximately 550 in 2016-2017) and their leave management were done manually and monitored on a spreadsheet which was prone to human error and led to inefficiencies in the process. For instance, fellows' contracts were managed by the HR Unit manually on a spreadsheet which was also used to monitor the resident card requests, security badges, visa and other information relevant for

individual fellows' contracts. UNITAR indicated that it was in negotiation with the United Nations secretariat for the use of Inspira (a web-based tool supporting recruitment) and with UNDP for the use of their system (Atlas) for leave and contract management of fellows. This would reduce the burden on HR Unit staff and address risks related to manual processing of recruitment. UNITAR needs to assess its needs and opt for the most suitable and reliable solution that would optimize efficiency gains.

(6) UNITAR should assess its needs and select appropriate information technology solutions for processing and managing human resources functions such as recruitment, performance evaluation and leave management.

UNITAR accepted recommendation 6. Recommendation 6 remains open pending receipt of evidence that UNITAR has assessed its needs and selected appropriate information technology solutions for processing and managing human resources functions.

Need to track compliance with mandatory training

27. According to UNITAR Strategic framework for 2018 to 2021, the Institute will provide opportunities for staff to grow in an environment of trust, integrity and accountability, in which individuals, irrespective of the type of contract, can perform to their highest ability. Training budgets were distributed across the divisions based on each division's capacity to fundraise but in the course of the audit, UNITAR decided to centralize the learning and development budget. This was a positive step that would help enhance training opportunities for all staff and non-staff personnel. Further, UNITAR acquired online learning platform (Lynda.com) and training courses offered by the UNOG Centre for Learning and Multilingualism. Whilst the audit was ongoing, UNITAR senior management initiated the leadership dialogue for the first time.

28. UNITAR had established a list of mandatory training which all staff and non-staff personnel were required to complete. The list did not include the training on human rights and HIV/AIDS in the workplace which are mandatory for United Nations secretariat staff. Staff with supervisory functions were also not required to attend the Management Development Programme and the Leadership Development Programme which are aimed at building skills to enhance communication, change management and strategic leadership capacity within the United Nations. UNITAR agreed that it would consider including these courses in its list of mandatory training. UNITAR also needed to strengthen the arrangements for monitoring compliance with mandatory training. Managers were responsible for ensuring that mandatory training was included in the staff work plans and performance evaluations. However, the staff performance appraisals did not address mandatory training and Directors did not consistently monitor compliance.

(7) UNITAR should establish requirements and mechanisms for divisions to track and report on compliance with mandatory training.

UNITAR accepted recommendation 7. Recommendation 7 remains open pending receipt of evidence that a system has been established for divisions to track and report on compliance with mandatory training.

D. Recruitment and management of non-staff personnel

Need to improve the arrangements for remuneration of fellows and ensure compliance with the Statute

29. The UNITAR Statute authorizes the Executive Director to arrange for the services of fellows who shall not be considered as officials of the United Nations and who shall not be regarded as members of staff.

According to the Statute, fellows and other additional personnel of the Institute shall be financed from special purpose grants. UNITAR had various categories of fellows including non-remunerated fellows (Associated fellows and Correspondents) and remunerated fellows (Advisors and Assistants/Associates). Terms and conditions for the appointment of each category of fellows were approved by the Board. According to the approved terms and conditions, the remuneration of Assistants/Associates should be at a level commensurate with the net salary scale for regular staff at the P-1 to P-3 levels while that of the Advisors should be commensurate with the salary scale for regular staff at the P-4, P-5 and above levels. The entry level is to be determined by the HR Unit. The authorized duration of contracts for Assistants/Associates was a minimum period of 12 months and renewable for no more than five years while that of Advisors was for renewable periods of six months to one year for work done on full time basis.

30. UNITAR HR Unit had issued guidelines of the range of monthly remuneration rates that hiring managers should use for Assistants/Associates. All the Assistants/Associates on board at the time of the audit had also complied with the contract duration requirements stipulated in the approved terms and conditions for Assistants/Associates. However, five of the remunerated fellows were being paid through the General Fund contrary to the Statute requirement that fellows should be paid from special purpose grants. Further, OIOS review of six Advisers' contracts revealed that contract durations were not defined as required by the approved terms and conditions. Two of the Advisers had been working for UNITAR since 2012 (six years). In addition, criteria for remuneration rates for the Advisers (education, work experience and professional requirements) were not clearly established. The HR Unit was also not involved in the fee determination and had not issued guidelines on the monthly remuneration rates, similar to the guidelines it had issued for remuneration of Assistants/Associates. As a result, there were inconsistencies in the remuneration rates applied by divisions. For instance, in New York an Adviser in the Division for Multilateral Diplomacy was paid a monthly remuneration of \$3,667 while an Adviser in the Executive Director Office in Geneva was paid a monthly remuneration of \$20,170 per month. There was no evidence on how the fees were determined.

(8) UNITAR should: (a) ensure that fellows are financed from special purpose grants as required by its Statute; and (b) establish clear guidelines for remuneration of Advisers to avoid unexplained inconsistencies.

UNITAR accepted recommendation 8. Recommendation 8 remains open pending receipt of evidence that all fellows are financed from special purpose grants and guidelines for remuneration of Advisers have been established to avoid unexplained inconsistencies.

UNITAR interns travelled for official purposes without insurance coverage

31. UNITAR had recruited a total of 94 interns from January 2016 to August 2018 and had 22 interns on board at the time of the audit. Since January 2018 UNITAR decided to pay interns an amount ranging from \$400 to \$700 per month depending on the intern's location to cover miscellaneous expenses. The fees were paid once in every six months at the start of the internship. While this practice allows for saving on UNDP fee for payments, there is a risk that UNITAR will not get reimbursed in case an intern departs before the end of the six months. UNITAR was aware of the potential loss if interns left before completing six months and had accepted the risk because it was considered low.

32. UNITAR's administrative circular on internship states that interns may be required to travel to attend seminars or conferences organized by the Institute. The administrative circular states that the interns are not entitled to any compensation in the event of death, injury or illness. OIOS noted that five interns undertook official travel on behalf of the Institute to France, Japan, United Kingdom and Mongolia without having appropriate insurance. Allowing interns to go on official travel without insurance could lead to financial and reputational risks in case of an accident, illness or death of the intern. UNITAR indicated that

it was in negotiation with an insurance company and planned to have an equivalent to Appendix D for its non-staff personnel including interns.

(9) UNITAR should ensure that its interns have appropriate insurance coverage before they are authorized to undertake official travel.

UNITAR accepted recommendation 9. Recommendation 9 remains open pending receipt of evidence that UNITAR has established appropriate insurance coverage for interns when they undertake official travel.

IV. ACKNOWLEDGEMENT

33. 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.

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

STATUS OF AUDIT RECOMMENDATIONS

Audit of human resources management at the United Nations Institute for Training and Research

Rec. no.	Recommendation	Critical ¹ / Important ²	C/O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNITAR should improve the clarity of presentations of staffing and other workforce requirements to governing bodies by: (a) presenting the staffing requirements by division to better align them with results; (b) including details on use of non-staff personnel and any related analysis; (c) excluding unfunded posts from the staffing table and organizational chart and presenting them separately; and (d) presenting a separate financial report and budget for the General Fund.	Important	O	Receipt of evidence that presentations to the Board and ACABQ for 2019 include: (a) staffing requirements by division; (b) details on use of non-staff personnel; (c) staffing table and organizational chart of funded posts; (d) details of unfunded posts; and (e) a financial report and budget for the General Fund.	31 December 2019
2	UNITAR should: (a) establish a clear policy framework for human resources management that shows which administrative issuances of the United Nations Secretariat it has adopted for use; and (b) ensure that any deviations from the United Nations Staff Regulations and Rules are reported to the Board.	Important	O	Receipt of: (a) evidence that a clear policy framework has been established that shows which administrative issuances of the United Nations Secretariat have been adopted for use; and (b) minutes of Board meetings showing that the current deviations from the United Nations Staff Regulations and Rules have been reported to the Board.	30 September 2019
3	UNITAR should disseminate its procedures on management of complaints and grievances and address concerns raised by staff regarding transparency of the complaints mechanism and fear of retaliation.	Important	O	Receipt of evidence that procedures on management of complaints and grievances have been disseminated and action has been taken to address concerns raised regarding transparency and fear of retaliation.	30 June 2019
4	UNITAR should: (a) strengthen recruitment procedures for D-1 posts by establishing mandatory requirements for assessment by interview panels and	Important	O	Receipt of evidence that: (a) the administrative circular on recruitment procedures for D-1 posts has been revised to include the requirement for	30 June 2019

¹ 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.

² 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.

³ C = closed, O = open

⁴ Date provided by UNITAR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of human resources management at the United Nations Institute for Training and Research

Rec. no.	Recommendation	Critical/ Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	review by a review body; and (b) avoid different treatment of similar situations in the application of the promotion policy which may give rise to perception of favouritism.			assessment by interview panels and review by a review body; and (b) the promotion policy has been reviewed and refined to avoid different treatments in the application of the policy.	
5	UNITAR should: (a) ensure that classification officers are adequately trained in line with the provisions granting UNITAR the authority to classify posts; and (b) establish mechanisms for independent review of classification of posts in the Division for Operations.	Important	O	Receipt of evidence that all the classification officers have been trained and mechanisms have been established for independent review of classification of posts in the Division for Operations.	30 June 2019
6	UNITAR should assess its needs and select appropriate information technology solutions for processing and managing human resources functions such as recruitment, performance evaluation and leave management.	Important	O	Receipt of evidence that UNITAR has assessed its needs and selected appropriate information technology solutions for processing and managing human resources functions.	31 December 2019
7	UNITAR should establish requirements and mechanisms for divisions to track and report on compliance with mandatory training.	Important	O	Receipt of evidence that a system for divisions to track and report on compliance with mandatory training has been established.	30 June 2019
8	UNITAR should: (a) ensure that fellows are financed from special purpose grants as required by its Statute; and (b) establish clear guidelines for remuneration of Advisers to avoid unexplained inconsistencies.	Important	O	Receipt of evidence that all fellows are financed from special purpose grants and guidelines for remuneration of Advisers have been established to avoid unexplained inconsistencies.	31 March 2019
9	UNITAR should ensure that its interns have appropriate insurance coverage before they are authorized to undertake official travel.	Important	O	Receipt of evidence that UNITAR has established appropriate insurance coverage for interns when they undertake official travel.	30 June 2019

APPENDIX I

Management Response

Management Response

Audit of human resources management at the United Nations Institute for Training and Research

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNITAR should improve the clarity of presentations of staffing and other workforce requirements to governing bodies by: (a) presenting the staffing requirements by division to better align them with results; (b) including details on use of non-staff personnel and any related analysis; (c) excluding unfunded posts from the staffing table and organizational chart and presenting them separately; and (d) presenting a separate financial report and budget for the General Fund.	Important	Yes	Director, Division for Operations/Chief, Finance and Budget Unit/Secretary of the Board of Trustees	4 th quarter 2019	Next Board meeting takes place in November 2019.
2	UNITAR should: (a) establish a clear policy framework for human resources management that shows which administrative issuances of the United Nations Secretariat it has adopted for use; and (b) ensure that any deviations from the United Nations Staff Regulations and Rules are reported to the Board.	Important	Yes	Director, Division for Operations/Secretary of the Board	3 rd quarter 2019	
3	UNITAR should disseminate its procedures on management of complaints and grievances and address concerns raised by staff regarding transparency of the complaints mechanisms and fear of retaliation.	Important	Yes	Director for Operations	2 nd quarter 2019	

¹ 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.

² 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.

Management Response

Audit of human resources management at the United Nations Institute for Training and Research

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
4	UNITAR should: (a) strengthen recruitment procedures for D-1 posts by establishing mandatory requirements for assessment by interview panels and review by a review body; and (b) avoid divergent application of the promotion policy which may give rise to perception of favouritism.	Important	Yes	(a) Director Division for Operations	2 nd quarter 2019	
5	UNITAR should: (a) ensure that classification officers are adequately trained in line with the provisions granting UNITAR the authority to classify posts; and (b) establish mechanisms for independent review of classification of posts in the Division for Operations.	Important	Yes	Director, Division for Operations	<p>a) When training by ICSC becomes available in Geneva or on-line</p> <p>b) 2nd quarter 2019</p>	While UNITAR accepts the recommendation, Management does not consider training by ICSC as a priority. Training by ICSC was a requirement at the time when the delegation of authority was granted because UNITAR did not have any previous internal expertise in classification at that time and the only available training in the UN system was given by ICSC. Taking into account that the UNITAR Chief HR was formally trained by ICSC at the time when the delegation was granted and that UNITAR has acquired the necessary internal knowledge and expertise to further train UNITAR staff, using guidelines and workshop booklets provided by ICSC and the on-line ICSC job classification system, and unless training becomes available in Geneva or on-line, the implementation of the

Management Response

Audit of human resources management at the United Nations Institute for Training and Research

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						recommendation may be delayed depending on when the ICSC will deliver training in Geneva or on-line. This is also in line with the UNITAR travel policy which stipulates that travel shall only be approved if there is no other mean.
6	UNITAR should assess its needs and select appropriate information technology solutions for processing and managing human resources functions such as recruitment, performance evaluation and leave management.	Important	Yes	Director, Division for Operations	4 th quarter 2019	
7	UNITAR should establish requirements and mechanisms for divisions to track and report on compliance with mandatory training.	Important	Yes	Director, Division for Operations	2 nd quarter 2019	
8	UNITAR should: (a) ensure that fellows are financed from special purpose grants as required by its Statute; and (b) establish clear guidelines for remuneration of Advisers to avoid unexplained inconsistencies.	Important	Yes	Director, Division for Operations	1 st quarter 2019	
9	UNITAR should ensure that its interns have appropriate insurance coverage before they are authorized to undertake official travel.	Important	Yes	Director for Operations	2 nd quarter 2019	