



AUDIT REPORT

The United Nations International
Research and Training Institute for the
Advancement of Women (INSTRAW)

INSTRAW suffers from an acute leadership vacuum,
which adversely affected its ability to effectively
participate in the consultations pertaining to its
consolidation into the new composite gender entity
and implement change management

23 September 2010
Assignment No. AN2010/545/01

United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTRÔLE INTERNE
INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE

TO: Ms. Michelle Bachelet, Under-Secretary-General
A: United Nations Entity for Gender Equality and
Empowerment of Women (UN Women)

DATE: 23 September 2010

REFERENCE: IAD: 10-00804

FROM: Fatoumata Ndiaye, Director
DE: Internal Audit Division, OIOS



SUBJECT: **Assignment No. AN2010/545/01 – Comprehensive Audit of the United Nations International
OBJET: **Research and Training Institute for the Advancement of Women (INSTRAW)****

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we are pleased to inform you that we will close recommendation 3 in the OIOS recommendations database as indicated in Annex 1. In order for us to close the remaining recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarised in Annex 1.
3. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendations 1, 6 and 7) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Ms. Asha-Rose Migiro, Deputy Secretary-General
Mr. Sha Zukang, Under-Secretary-General, DESA
Ms. Rachel Mayanja, Assistant-Secretary-General, DESA
Mr. Warren Sach, Assistant Secretary-General, OCSS, DM
Mr. Jun Yamazaki, Controller, OPPBA, DM
Mr. Parfait Onanga-Anyanga, Director, Office of the DSG
Ms. Amaia Perez, Officer-in-Charge, INSTRAW
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit
Mr. Moses Bamuwanye, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Special Assistant to the Under-Secretary-General, OIOS

INTERNAL AUDIT DIVISION

FUNCTION

“The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization” (General Assembly Resolution 48/218 B).

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EXECUTIVE SUMMARY

Comprehensive audit of the United Nations International Research and Training Institute for the Advancement of Women (INSTRAW)

The Office of Internal Oversight Services (OIOS) conducted a comprehensive audit of the United Nations International Research and Training Institute for the Advancement of Women (INSTRAW). The overall objective of the audit was to assess the effectiveness of INSTRAW: (a) in the governance and executive direction of the Institute; (b) in implementing INSTRAW's programme of work in compliance with United Nations (UN) Regulations and Rules; and (c) in its preparation to play a relevant role in the new UN Women entity. OIOS conducted the audit as a follow-up of its previous audit in 2004 in which a number of serious risks relating to going concern and financial viability of the INSTRAW were identified. Furthermore, OIOS considered the ongoing consolidation of the four gender entities into the new UN Women entity as a significant decision impacting INSTRAW's current programme of work. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

In December 2003, INSTRAW launched a revitalization process designed to reposition it as a leading research and training institute on gender issues. These efforts realized a significant turnaround of INSTRAW's financial situation, and by the end of 2007 the Institute had secured sufficient funds to finance its core activities, resulting in the reimbursement of subventions received from the UN regular budget. INSTRAW had also developed working relationships within the UN system, other international organizations, academic and research centers, and civil society groups. Through these relationships, INSTRAW strengthened its collaboration and joint policy- and action-oriented research on issues related to gender equality and women's empowerment.

OIOS identified a number of opportunities for improvement in INSTRAW's: (i) governance; (ii) executive direction and management; (iii) programme management; and (iv) administrative support functions. Significantly, the Institute suffered from an acute leadership vacuum, which adversely affected its ability to effectively participate in the consultations pertaining to the consolidation of INSTRAW into the new UN Women entity and implement change management.

TABLE OF CONTENTS

Chapter	Paragraphs
I. INTRODUCTION	1-6
II. AUDIT OBJECTIVES	7
III. AUDIT SCOPE AND METHODOLOGY	8
IV. AUDIT FINDINGS AND RECOMMENDATIONS	
A. Governance	9-15
B. Executive direction and management	16-18
C. Programme management	19-25
D. Administrative support	26-40
V. ACKNOWLEDGEMENT	41
ANNEX 1 – Status of Audit Recommendations	

I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted a comprehensive audit of the United Nations International Research and Training Institute for the Advancement of Women (INSTRAW or the Institute). OIOS conducted the audit as a follow-up of its previous audit in 2004 in which a number of serious risks relating to going concern and financial viability of the Institute were identified. Furthermore, OIOS considered the ongoing consolidation of the four gender entities into the new UN Women entity as a significant decision impacting INSTRAW's current programme of work. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. INSTRAW was conceived in 1975 at the World Conference of the International Women's Year, held in Mexico, as an Institute to conduct research and training dedicated to the advancement of women. In 1976, the Economic and Social Council (ECOSOC) established INSTRAW as an autonomous Institute. INSTRAW has been headquartered in the Dominican Republic since 1983 and is located on premises donated by the host country. Pursuant to its statute, INSTRAW is governed by an Executive Board (the Board), comprising 10 Member States that are elected by ECOSOC for an initial three-year period, with the possibility of extending for an additional term.

3. Pursuant to its statute, INSTRAW's activities are funded entirely by voluntary contributions from Member States, intergovernmental and non-governmental organizations, foundations, private and other sources. Table 1 shows the Institute's selected financial data for the period 2004–2009. Table 2 shows posts funded by their source, including core budget (WRA sub-account) and project budget (WSA sub-account), for the period 2008–2010

Table 1. INSTRAW Trust Fund Financial Highlights (2004–2009)

	For the Biennium (In United States Dollars)		
	2004–2005	2006–2007	2008–2009
Total Income	2,329,137	6,116,216	13,329,452
Total Expenditure	2,185,184	3,703,857	6,121,809
Reserves and Fund Balance	1,244,087	3,928,946	10,879,108

Source: INSTRAW Financial Statements (2004–2009)

Table 2. Staffing Distribution (2008–2010)

	Core Budget (WRA)			Projects (WSA)		
	2008	2009	2010	2008	2009	2010
Professional	4	4	5	3	4	5
General service	5	5	6			
Total	9	9	11	3	4	5

Source: INSTRAW/EB/2009/R.8 and information provided by INSTRAW staff

4. INSTRAW is one of the four gender entities dedicated to the worldwide advancement of women in the UN system. The other three entities are the Office of the Special Adviser to the Secretary-General on Gender Issues and Advancement of Women (OSAGI), the Division for Advancement of Women (DAW) within the Department Economic and Social Affairs (DESA); and the United Nations Development Fund for Women (UNIFEM). In September 2009, as part of the Secretary-General's review on System-wide Coherence, the General Assembly in resolution 63/311 supported the consolidation of the four gender entities into a composite entity, taking into account their existing mandates. The General Assembly further requested the Secretary-General to produce, for consideration at its sixty-fourth session, a comprehensive proposal specifying, *inter alia*, the mission statement of the composite entity, the organizational arrangements, (including an organizational chart), funding requirements, and the executive board to oversee its operational activities, in order to commence intergovernmental negotiations.

5. In the Secretariat, the Deputy Secretary-General (DSG), assisted by her Special Adviser, is leading the deliberations for the proposal. INSTRAW, in accordance with a recommendation from its Executive Board at the second resumed Fifth Session, is involved, along with, *inter alia*, the other three gender entities as well as the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF), in the ongoing preparations of the proposal. At the date of the audit in May 2010, the deliberations were still in progress with the expectation that the draft proposal would be completed by July 2010.

6. Comments made by INSTRAW are shown in *italics*.

II. AUDIT OBJECTIVES

7. The main objectives of the audit were to assess the effectiveness of INSTRAW:

- (a) In the governance and executive direction of the Institute;
- (b) In implementing INSTRAW's programme of work in compliance with UN Regulations and Rules; and
- (c) In its preparation to play a relevant role in the new UN Women entity.

III. AUDIT SCOPE AND METHODOLOGY

8. The audit scope covered the INSTRAW's activities and operations from 1 January 2008 to 31 May 2009. The audit was conducted through interviews with key officials, review of documentation, a survey, and tests of internal controls.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Governance

INSTRAW's Executive Board has been incomplete since December 2009

9. The Institute and its work are governed by an Executive Board, comprising ten members, two from each UN regional group. ECOSOC elected the Executive Board, and the members of the Board serve in their individual capacities for a term of three years from the date of their appointment. Each Member of the Board is represented by an accredited representative and is eligible for re-appointment by ECOSOC for one additional term. The Director, the Under-Secretary-General (USG) of the Department of Economic and Social Affairs (DESA), a representative of the host country, and a representative of each of the regional commissions, also serve as ex officio members of the Board. Election procedures are contained in the Institute's Rules of Procedures.

10. The Board has responsibility for:

- (i) Formulating principles, policies, and guidelines for the activities of the Institute;
- (ii) Considering and approving the Institute's programme of work and budget proposals on the basis of the Director's recommendations;
- (iii) Making recommendations necessary or desirable for the operations of the Institute, particularly recommending methods to enhance the Institute's financial resources; and
- (iv) Reporting periodically to ECOSOC and the General Assembly, when appropriate.

11. Since 1 January 2010, INSTRAW was weakened by the absence of an Executive Board to oversee the implementation of the Institute's programme of work. The last seated Board's three-year term expired on 31 December 2009. The ECOSOC Board elections for the new term for the period from 1 January 2010 to 31 December 2012, therefore, should have taken place during the regular session of ECOSOC in May 2009. As of May 2010, six Members had been elected to the Board, with four vacancies still to be filled.

INSTRAW lacked a Director to oversee the execution of the annual work plan

12. In accordance with the general directives of the Board, and within the terms of the authority delegated to the Director by the Secretary-General, the Director has the overall responsibility for the organization, direction, and administration of the Institute. The Director is responsible for, *inter alia*: (i) overseeing the execution of the work plan and making expenditures envisaged in the budget, as adopted by the Board; and (ii) submitting to the Board annual and *ad hoc* reports on the activities of the Institute and in the execution of its work plans. The Secretary-General appoints the Director, taking into account the list of candidates proposed by the Board. In practice, the recruitment process for the

Director's post is conducted by the Special Adviser to the Secretary-General on Gender Issues and Advancement of Women (Secretary-General's Special Adviser) and the DESA Executive Officer, who provides to the Institute administrative support from UN Headquarters.

13. From 1 July 2008 to the date of the audit in May 2010, the Institute did not have a Director. In 2008, following the retirement of the former Director, the Institute, in consultation with DESA, conducted a recruitment process for the Director's post. In accordance with the Institute's statute, the Board reported at its session in May 2008 that it had compiled a shortlist of six candidates to be submitted to the Secretary-General. At its resumed session in October 2008, the Board was informed by DESA that the prospective list of candidates had been narrowed to three, and that the Secretary-General was expected to take a decision soon.

14. At its April 2009 session, the Board expressed concern that the Institute still did not have a Director. According to the Secretary-General's Special Adviser, the Senior Review Group's review had faced some delays, but a recommendation for the Director's post had finally been made to the Secretary-General. However, pending the appointment of the Director and due to the pressing need created by the prolonged absence of a Director, together with concerns of the Institute's financial sustainability, the Secretary-General took the decision to appoint immediately an interim Director to fill the position on a short-term basis until 31 December 2009, the end of the authorized staffing cycle. DESA informed the Board that it had identified a retired staff member who could fill the position as of 1 May 2009 (first interim Director). In the meantime, an internal recruitment process was opened to identify a longer-term interim Director (second interim Director) who was appointed in mid-June 2009.

15. The second interim Director retired on 30 November 2009, leaving the Institute yet again without a Director. As of the date of the audit in May 2010, a new Director had not been appointed. As a result, the Institute faced frequent changes in leadership between August 2008 and May 2010, with two Acting Directors and three Officers-in-Charge (OIC). Additionally, due to constrained staffing resources, the OIC could not adequately perform the managerial functions entrusted to the Director. At the time of the audit, the OIC, who was at the P-4 level, had only joined the Institute in September 2009. Therefore, she was unfamiliar with the UN Secretariat systems and procedures, which presented practical difficulties for her to effectively function in the Director's capacity. In June 2010, INSTRAW informed OIOS that the Secretary-General had appointed a Director to manage the day-to-day responsibilities of the Institute.

B. Executive direction and management

Change management procedures in place were inadequate to effectively prepare the Institute for its consolidation into the new UN Women entity

16. The General Assembly requested the Secretary-General to submit a comprehensive proposal specifying, *inter alia*, the mission statement of the new UN Women entity and the organizational arrangements. This included an

organizational chart, funding requirements, and the executive board to oversee its operational activities, in order to commence intergovernmental negotiations. The Board, in its sixth session in May 2009, expressed the need for INSTRAW to participate in this process. At the working level, a Special Adviser to the Deputy Secretary-General has overall responsibility for preparing the proposal and consults with a working group, comprising officials of the four gender-specific entities as well as UNDP, the United Nations Children's Fund (UNICEF), and the Office of Human Resources Management (OHRM). During 2009–2010, the Special Adviser hosted several high level meetings in which INSTRAW regularly participated and had opportunity to articulate its vision for research and training in the gender equality. INSTRAW also submitted for consideration of the working group a conceptual Non-Paper note defining the INSTRAW mission and objectives, and a vision for how the Institute's mandate would fit within the overall architecture of the new composite gender entity.

17. Despite these developments, the Institute continued to operate in status quo, limiting its change management to high level discussions only. There was a need, however, for the Institute to develop a change management plan to address the current and imminent changes that would potentially impact the Institute and its operations. For example, a review of the existing contractual obligations amounted to \$723,216 for core staff, project staff and General Temporary Assistance (GTA) staff and \$318,465 for consultants contracted through 31 December 2010. However, the Institute lacked adequate internal monitoring, tracking, and recordkeeping systems to capture accurately its assets and liabilities. There was also no system in place to account for the Institute's extensive expertise and institutional memory it had developed over time. Given the need for an accurate and complete accounting of the Institute's assets and liabilities, it is necessary for the Institute to put in place a change management plan.

Recommendation 1

(1) The INSTRAW Management should establish change management procedures in preparation for a transition into the new UN Women entity.

18. *INSTRAW accepted recommendation 1 and stated that four staff members, including the Interim Director, attended the UN Women Transition Team retreat (26–28 July 2010) led by ODSG. The Interim Director of INSTRAW is a member of the Steering Committee for UN Women. Other UN-INSTRAW staff members form part of the various task forces of the Transition Team. INSTRAW is finalizing, in cooperation with the Department of Management, a comprehensive transition plan for the Institute; this will be submitted to the UN Women Senior Management Team. Recommendation 1 remains open pending the provision of the transition plan.*

C. Programme management

The Institute did not systematically conduct an impact assessment of its work

19. INSTRAW's mission to be the leading UN Institute devoted to research, training, and knowledge management, in partnership with governments, the UN System, civil society, and academia to achieve gender equality and women's empowerment is driven by a conceptual framework and "action-oriented" research methodologies. The Institute's mission emphasizes the importance of articulating research, capacity-building and knowledge management in a continuous cycle of analysis, learning and action, so that participatory research results feed into knowledge management and the design of training and capacity-building programmes, as well as the formulation of policy. Through applied research, the Institute endeavours to make policies and programmes gender-responsive on the basis of concrete research results, application of lessons learned, and the replication of best practices.

20. In 2004, the Institute adopted a four-year Strategic Framework, which identified thematic priorities, strategies, and lines of action to be taken by the Institute. The 2008–2011 Strategic Framework identified four thematic priorities comprising (i) Gender, Migration and Development; (ii) Gender, Peace, and Security; (iii) Governance and Political Participation; and (iv) Gender and Financing for Development. Despite the priorities and objectives identified by the Institute to respond to both existing challenges and new and emerging issues utilizing these approaches, the Institute does not systematically conduct programme evaluations of its programme to determine if the desired impact on its target beneficiaries had been achieved. It is OIOS' view that given the proposed consolidation of INSTRAW into the new UN Women entity, and the important role INSTRAW can play in shaping the research and training mandate of the UN gender architecture, an impact assessment of the Institute's work could significantly benefit the establishment of the new UN Women entity.

Recommendation 2

(2) The INSTRAW Management should conduct an impact assessment of the effectiveness of its programme of work in line with its expected accomplishments, indicators of achievement and outputs.

21. *INSTRAW accepted recommendation 2 and stated that the transition documentation, due to be submitted to the UN Women Transition Team, will suggest that an impact assessment should be considered during the strategic planning that will be undertaken for the new entity.* Recommendation 2 remains open pending provision of the impact assessment.

The Institute did not close a project after completion in 2008

22. OIOS reviewed selected project documents and final reports to determine compliance with the approved project proposals and budgets. In one case, "Gender and Peace in Somalia – Implementation of Resolution 1325" project,

which had a completion date at the end of October 2008, had not been closed. According to INSTRAW, the project was implemented by a local implementing partner who had up to 12 months after the completion date to close the project and report to INSTRAW on the implementation of its activities and the use of funds. However, at the date of the audit in May 2010, the project had still not been closed. According to INSTRAW, the implementing partner had requested additional funds to cover legal costs associated with a dispute with its subcontractors and, therefore, the project was still open.

Recommendation 3

(3) The INSTRAW Management should request its implementing partner to immediately close the “Gender and Peace in Somalia – Implementation of Resolution 1325” project, and to report on the implementation of activities and use of funds without delay.

23. *INSTRAW accepted recommendation 3 and stated that a letter was sent in August 2010 to the implementing partner, requesting that the project be closed down and that a report on the implementation of activities and use of funds should be promptly submitted. Based on the action taken by INSTRAW, recommendation 3 has been closed.*

Project monitoring and reporting was *ad hoc* and inconsistent

24. Starting in January 2010, the OIC introduced streamlined reporting for the six Project Coordinators requiring them to report, on a monthly basis, on the progress and any changes to the projects. OIOS noted the new reporting procedures as an example of good project management practices. However, INSTRAW did not have a project database which enabled the Director to efficiently monitor the implementation of ongoing projects against established performance indicators. The lack of such a database and performance indicators prevented the Institute from measuring its success or failure objectively.

Recommendation 4

(4) The INSTRAW Management should establish a project database to strengthen the internal project management processes in order to ensure full accountability of projects against annual work plans.

25. *INSTRAW accepted recommendation 4 and stated that it will establish an interim project database for the transition period which would be superseded when UN Women establishes its own database. Recommendation 4 remains open pending the provision of evidence of the interim project database.*

D. Administrative support

Vacancies at the professional level were not filled in a timely manner

26. The Board authorized three posts in the professional category at the P-4, P-3, and P-2 levels for 2010. These posts assist the Director in the discharge of his or her managerial and administrative functions and are integral part to the Institute's core team. Since 2008–2009, two out of three professional posts have been vacant. A General Service Staff Assistant post at the G-5 level was also vacant. These vacancies created ongoing challenges to the Institute's management since there was no official at the professional level to substitute for the OIC when she was away on mission or on annual leave. Moreover, the authorized staffing structure envisaged the minimum posts required to maintain effective internal controls over the Institute's assets. For example, a certifying officer and an alternate, as well as an approving officer and his or her alternate were required by the UN Financial Regulations and Rules. The high vacancy rate, therefore, created a practical problem for the Institute when it needed to certify and approve financial transactions, or even when there was a need to convene the Local Committee on Contracts (LCC) to procure goods and services over \$12,500. It is necessary for the Institute to fill the posts as authorized in the 2010 staffing table and envisaged for completing the annual work plan.

Recommendation 5

(5) The INSTRAW Management should fill the vacant posts on a temporary basis until the Institute is consolidated in the new gender entity.

27. *INSTRAW accepted recommendation 5 and stated that it is following up with DM/OHRM and DESA/Executive Office on the process, feasibility and availability of funds to fill currently vacant posts, on a temporary basis, through 31 December 2010 (and beyond in applicable cases, in line with the UN Women transition process). Recommendation 5 remains open pending the receipt of evidence of implementation.*

The Institute's delegation of procurement authority is not in line with UN Financial Regulations and Rules

28. According to INSTRAW's procurement delegation of authority, the Director, or his or her authorized delegate, is authorized to enter into contracts for the procurement of services, supplies, equipment, or other requirements with contractors. This authority *inter alia* includes the responsibility for inviting proposals or tenders, subject to an annual financial limit of \$100,000 involving commitments to a single contractor in respect of a single requisition or series of related requisitions. All awards are required to be made in conformance with Financial Rules 110.16 and 110.24. It is required that a Local Committee on Contracts (LCC), comprising four members and one ex-officio member appointed by the Director, is established for the purpose of advising the Director on all contracts involving commitments in excess of \$12,500, but less than \$100,000. Transactions exceeding the \$100,000 limit are required to be

submitted to the Procurement Division (PD) at UN Headquarters. The delegation of authority states that it shall remain in full force and effect, unless amended or withdrawn. Notwithstanding the Institute's delegation of authority, the governing UN Financial Rules have since been revised, as specified by Administrative Instruction ST/AI/2004/1, "Delegation of Authority under the Financial Regulations and Rules of the United Nations".

29. For example, ST/AI/2004/1 stipulates that the authority and responsibility to implement specified aspects of the UN Financial Rules, including procurement functions, is given to the Assistant Secretary-General/Controller and to the Assistant Secretary-General for the Office of Central Support Services (OCSS) with the Department of Management (DM), who may, in turn, delegate authority and responsibility to other officials. Such delegations hold the officials to whom authority is delegated personally accountable for their actions in the discharge of their authority and responsibilities. However, INSTRAW's delegation, as written, grants delegation of authority to the Institute, rather than to an official.

30. Further, following its review in 2008 of INSTRAW's procurement capacity, PD reported to the Assistant Secretary-General, OCSS that the Institute lacked the necessary capacity to properly exercise the delegation of authority entrusted to it. For example:

- The thresholds being followed by the LCC were being interpreted on the basis of ST/AI/214, which originally set the financial limits for the Institute's procurement activities on the basis of those set for the regional commissions. However, ST/AI/214, which set the authority for the regional commissions and INSTRAW, had since been superseded by the revised procurement delegation of authority issued to INSTRAW in 2000. As a result of the discrepancy, the LCC had only been reviewing contracts between \$20,000 and \$40,000 rather than contracts exceeding \$12,500 up to the \$100,000 limit as specified in the current delegation of authority;
- Staff members carrying out procurement functions did not have the requisite training in procurement, as required by the Procurement Manual;
- There was no separation between technical and financial evaluation, as stipulated in the Procurement Manual;
- The same staff members were serving both the requisitioning functions and the LCC capacities; therefore, segregation of duties was not in place;
- A vendor registration database or procedures on how to register vendors was not in place;
- The UN General Terms and Conditions contractual instrument was not being used when contracts were issued; and
- A practice of splitting contracts was also being exercised to accommodate the Institute's annual budgetary cycle. This was in contravention of the provisions stipulated in the UN General Terms and Conditions, which included a termination clause, with options for extensions, at the end of the budget period.

31. Accordingly, PD made four recommendations to the Assistant Secretary-General, OCSS, including: (i) granting the Director a procurement delegation up to \$100,000; (ii) granting the Administrative Assistant limited delegation up to \$10,000, provided that she undergoes the required training; (iii) entering into a Memorandum of Understanding (MOU) with UNDP to carry out all procurement actions above \$10,000; and (iv) considering granting procurement delegation of authority to DESA to perform procurement functions for all actions exceeding \$100,000. At the date of the audit in May 2010, the procurement delegation of authority had not yet been replaced. Therefore, the Institute had continued to operate in status quo.

Recommendation 6

(6) The INSTRAW Management, in consultation with the Assistant Secretary-General, Office of Central Support Services, should review the appropriateness of the INSTRAW procurement delegation of authority, taking into account the recommendations made by the Procurement Division, and take remedial measures accordingly.

32. *INSTRAW accepted recommendation 6 and stated that it first brought up this matter with authorities in the UN Secretariat in May 2008 and the review conducted at INSTRAW in October 2008 took place at the Institute's request and as a means to resolve this matter. Despite numerous communications from both INSTRAW and DESA as a follow up on this matter (coupled with the fact that the required training for the Administrative Officer has already been complied with), the corresponding Delegation of Procurement Authority has yet to be issued to INSTRAW staff. As INSTRAW still needs to conduct procurement activities, an interim solution needs to be identified; INSTRAW will pursue this matter with DM in order to enable INSTRAW to manage its operations through 31 December 2010. Recommendation 6 remains open pending the conclusion of DM's review of INSTRAW's procurement delegation of authority and submission of the supporting documentation.*

The delegated authority over the certifying and approving functions is inappropriate

33. The Controller designates UN officials as certifying and approving officers in their individual capacity, who are held personally accountable for their decisions. In INSTRAW, the Director (D-2) performs the Institute's certifying functions, while the Administrative Assistant (G-7) performs the approving functions. The assignment of the approving function to the G-7 staff presents a potential conflict to the internal control structure, since the G-7 staff is subordinate to the Director and reports upwardly to him or her.

Recommendation 7

(7) The INSTRAW Management, in consultation with the Controller, should review the appropriateness of the assignment of the certifying and approving functions.

34. *INSTRAW accepted recommendation 7 and stated it would propose a reversal of functions so that the Director is the approving officer and the Administrative Officer carries out the certifying functions. However, INSTRAW would like to receive confirmation from OIOS that such a proposal would alleviate the potential conflict to internal control structures. Once confirmation from OIOS is received, INSTRAW would then proceed to channel a request, through DESA, to the Controller to implement this reversal of functions in order to enable INSTRAW to manage its operations through 31 December 2010. OIOS acknowledges INSTRAW's response and concurs that the proposed actions satisfy the requirements of the recommendation. Recommendation 7 remains open pending the submission of INSTRAW's official request of the reversal of functions appointing the Administrative Officer as the certifying officer and the Director as the approving officer.*

The Institute's use of consultants was not in compliance with ST/AI/1997 governing the use of consultants

35. Administrative Instruction ST/AI/1999/7, "Consultants and Individual Contractors", establishes the basis for which programme managers can hire consultants, and emphasizes the equitable geographic distribution in hiring consultants. A review of the recruitment for one consultant revealed that a competitive selection process had not been followed as required by ST/AI/1997/7 and no other candidates had been considered for the assignment. In the case of the assignment, the consultant had been working as an intern in INSTRAW just prior to the offer. A memorandum dated 20 July 2009 from the OIC to the Administrative Assistant rationalized that the intern had agreed to stay on as a consultant. However, this did not serve as a reasonably justified rationale for the INSTRAW not following the required competitive selection process. In the case of two consultancies, the Institute hired consultants to perform routine functions of the webmaster and Administrative Assistant to the Director. These assignments, however, did not meet the criteria prescribed by ST/AI/1997 for hiring consultants, which limits their use for the purpose of contracting specialized knowledge. A review of the total population of the 180 consultants hired between 2008 and 2010 also indicated that the consultants were not selected from the widest possible geographical base.

Recommendation 8

(8) The INSTRAW Management should ensure that it strictly complies with ST/AI/1997/7 governing the use of consultants.

36. *INSTRAW accepted recommendation 8 and stated that for the remainder of the transition period, the interim Director of INSTRAW will ensure that such compliance is met. Recommendation 8 remains open pending submission of the list of consultants hired in 2010, along with evidence that selection considered at least three candidates in a competitive, transparent process.*

The Institute's staff development and training plan are inadequate

37. INSTRAW does not have access to courses offered by OHRM. As a matter of sharing best practices and lessons learned from substantive work undertaken by the Institute in each of the thematic areas, INSTRAW initiated "Croissant Courses", an informal set of courses covering various topical interests, such as public speaking, presentations, budgeting, and work planning. However, these courses were inadequate substitutes for the OHRM-produced courses in the same areas. The courses were also inadequate to strengthen INSTRAW's core competencies in human resources, procurement, and financial management, which hindered the Institute's efficient operations.

38. For example, INSTRAW could not hire a Project Coordinator for a funded project due to a lack of knowledge of the new Staff Regulations and Rules in effect as of 1 July 2009. Effective 1 July 2009, the 200-series appointments, which had been previously used to hire project personnel, were subject to the terms and conditions applicable to fixed-term appointments under the 100 series of the Staff Rules. Vacancies for fixed-term appointments, therefore, are required to be announced through the OHRM INSPIRA human resources recruitment system in accordance with the new Staff Rules. Due to a lack of knowledge by the INSTRAW staff of the new Staff Rules in force, the post had still not been filled at the date of the audit in May 2010. In 2010, INSTRAW, for the very first time, arranged with OHRM two courses on team-building, conflict resolution and decision making and career planning. Given the crucial need for training in the core competences and other learning courses, INSTRAW could benefit from closer liaison with OHRM to develop its staff development and training plan.

Recommendation 9

(9) The INSTRAW Management should review the Institute's staff development strategy in order to take advantage of OHRM-provided training courses.

39. *INSTRAW accepted recommendation 9 and stated that for the remainder of the transition period, the interim Director of INSTRAW will aim to maximize opportunities for the Institute's staff to take advantage of OHRM-provided training courses. Recommendation 9 remains open pending submission of evidence of courses taken by INSTRAW's staff members.*

The Institute's long-serving staff members at the General Service level were unable to qualify for the G-to-P examination

40. Staff members at the General Service level form the Institute's core personnel. However, an impediment to the career progression of the long-serving core staff was their inability to sit for the G-to-P examination. As a result, one staff member with a graduate-level academic degree had been serving at the General Service level for over 20 years with no possibility to qualify for a professional post. In addition, two other staff members at the General Service level expressed interest in qualifying for the professional category through the

examination. According to the OHRM policy, the examination is available to the UN Secretariat staff only. INSTRAW learned from OHRM that, on an exceptional basis, the examination was offered to non-Secretariat UN entities. INSTRAW intended to follow up with OHRM on the possibility of offering the examination to its staff.

V. ACKNOWLEDGEMENT

41. We wish to express our appreciation to the Management and staff of INSTRAW for the assistance and cooperation extended to the auditors during this assignment.

STATUS OF AUDIT RECOMMENDATIONS

Rec. No.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
1	The INSTRAW Management should establish change management procedures in preparation for a transition into the new UN Women entity.	Governance	High	O	Submission to OIOS of the transition plan.	Not provided
2	The INSTRAW Management should conduct an impact assessment of the effectiveness of its programme of work in line with its expected accomplishments, indicators of achievement and outputs.	Operational	Medium	O	Submission to OIOS of the impact assessment.	Not provided
3	The INSTRAW Management should request its implementing partner to immediately close the “Gender and Peace in Somalia – Implementation of Resolution 1325” project, and to report on the implementation of activities and use of funds without delay	Operational	Medium	C	Action completed	Implemented
4	The INSTRAW Management should establish a project database to strengthen the internal project management processes in order to ensure full accountability of projects against annual work plans.	Operational	Medium	O	Submission to OIOS of evidence of the interim project database.	Not provided
5	The INSTRAW Management should fill the vacant posts on a temporary basis until the Institute is consolidated in the new gender entity	Operational	Medium	O	Submission to OIOS of the evidence of implementation.	Not provided

Rec. No.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
6	The INSTRAW Management, in consultation with the Assistant Secretary-General, Office of Central Support Services, should review the appropriateness of the INSTRAW procurement delegation of authority, taking into account the recommendations made by the Procurement Division, and take remedial measures accordingly.	Governance	High	O	Submission to OIOS of the conclusion of DM's review of INSTRAW's procurement of delegation of authority and submission of the supporting documentation.	Not provided
7	The INSTRAW Management, in consultation with the Controller, should review the appropriateness of the assignment of the certifying and approving functions.	Governance	High	O	Submission to OIOS of INSTRAW's official request of the reversal of functions appointing the Administrative Officer as the certifying officer and the Director as the approving officer.	Not provided
8	The INSTRAW Management should ensure that it strictly complies with ST/AI/1997/7 governing the use of consultants.	Compliance	Medium	O	Submission to OIOS of evidence showing compliance with ST/AI/1997/7 governing the use of consultants.	Not provided
9	The INSTRAW Management should review the Institute's staff development strategy in order to take advantage of OHRM-provided training courses.	Human Resources	Medium	O	Submission to OIOS of evidence of courses taken by INSTRAW's staff members.	Not provided

1. C = closed, O = open

2. Date provided by INSTRAW in response to recommendations.