



AUD II-6-5-8 (00395/05)

16 June 2005

TO: Mr. Thandika Mkandawire, Director
United Nations Research Institute for Social Development

FROM: Egbert C. Kaltenbach, Director
Internal Audit Division II
Office of Internal Oversight Services

SUBJECT: **OIOS Audit of United Nations Research Institute for Social Development (UNRISD) (AE2004/384/01).**

1. I am pleased to submit the final Audit Report on the audit of the United Nations Research Institute for Social Development (UNRISD), which was conducted between November 2004 and January 2005 in Geneva by Raja P. Arumugham and Chunlin Tang.
2. A draft of the report was shared with you on 22 March 2005 and your comments, which were received in May 2005, are reflected in this final report.
3. I am pleased to note that most of the audit recommendations contained in the final Audit Report have been accepted and that UNRISD has initiated their implementation. The table in paragraph 48 of the report identifies those recommendations, which require further action to be closed. I wish to draw your attention to recommendations 1, 2, 3, and 5, which OIOS considers to be of critical importance. Please note that based on General Assembly resolution A/RES/59/272, any Member State may request that the final Audit Report be made available in its final version.
4. I would appreciate if you could provide me with an update on the status of implementation of the audit recommendations not later than 30 November 2005. This will facilitate the preparation of the twice yearly report to the Secretary-General on the implementation of recommendations, required by General Assembly resolution 48/218B.
5. Please note that OIOS is assessing the overall quality of its audit process. I therefore kindly request that you consult with your managers who dealt directly with the auditors, complete the attached client satisfaction survey and return it to me under confidential cover.
6. Thank you for your cooperation.

Attachment: Client Satisfaction Survey

cc: Mr. C. Bancroft Burnham, Under-Secretary-General for Management (by e-mail)
Mr. J. Antonio Ocampo, Under-Secretary-General for Economic and Social Affairs
(by e-mail)

Ms. E. Rotschild, Chairperson of the Board, UNRISD (by e-mail)
Mr. S. Goolsarran, Executive Secretary, UN Board of Auditors
Mr. T. Rajaobelina, Deputy Director of External Audit (by e-mail)
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**United Nations
Office of Internal Oversight Services
Internal Audit Division II**

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Audit Report

**Audit of the United Nations Research
Institute for Social Development (UNRISD)
(AE2004/384/01)
Report No. E05/R08**

- **Report date: 16 June 2005**
- **Auditors: Raja P. Arumugham
Chunlin Tang**

UNITED NATIONS



NATIONS UNIES

Office of Internal Oversight Services
Internal Audit Division II

Audit of the United Nations Research Institute for Social Development
(AE2004/384/01)

EXECUTIVE SUMMARY

From November 2004 to January 2005, OIOS conducted an audit of the United Nations Research Institute for Social Development (UNRISD), an autonomous United Nations entity, under the supervision of a Board and entirely funded by voluntary contributions. The audit covered programmes and activities with a total expenditure of \$12.3 million from January 2002 to October 2004. The review also included an impact assessment of UNRISD activities.

Governance and funding issues

- UNRISD was established in August 1963 by a Secretary-General's Bulletin (ST/SGB/126) as part of the UN Decade of Development, to conduct over a period of three to five years, research into problems and policies of social development. Unlike other similar entities like UNICRI, UNIDIR and UNSSC, it does not have a statute resulting from a General Assembly or Economic and Social Council Resolution. *UNRISD would consult with the Department of Economic and Social Affairs on the relevant procedures.*
- After more than 40 years, the ST/SGB that established the organization and administrative arrangements for UNRISD is in many aspects no longer relevant. Issued to govern an activity envisaged for a short time, the ST/SGB provided *ad hoc* arrangements that do not reflect the current status and activities of the Institute and provisions relating to the Board. UNRISD needs to seek a clear mandate from the SG and prepare a draft of a statute establishing clear objectives and a governance structure, which could be promulgated through a revised ST/SGB. *UNRISD concurs that its statute needs revisiting after so many years and that it would help UNRISD to codify a number of practices that have developed over the years.*
- The Board has not fully exercised the supervisory functions stipulated in the ST/SGB. The Board meets only once a year for one or two days, and there were absentees among the nominated members and representatives of the specialized agencies. UNRISD should review the role, responsibilities and composition of the Board and submit a proposal to ensure its full accountability to stake holders. *UNRISD stated that the frequency of the Board's meeting depended on the nature of the work of the Institute.*
- UNRISD is entirely funded by voluntary contributions and funding has been unstable from the beginning. Unlike other independent UN entities, the ST/SGB does not envisage any role for the Board in fund raising. While the core funding remained stable, there were wide fluctuations in project funding. The targeted 1:1 ratio for the core and project funding was far from being achieved. UNRISD needs to formulate strategies to enhance core funding to multi-year pledges and to broaden the funding base for projects. It should consider involving the Board in fund raising efforts. *UNRISD stated that engaging Board members directly in fund-raising was unrealistic and*

probably not healthy for the operation of the Board.

- UNRISD's linkages with the UN Secretariat and other specialized agencies were *ad hoc* although they are important to make its research activities relevant to the work of the UN departments and specialized agencies and to avoid duplication. UNRISD needs to formulate a strategy to establish clear and well-defined linkages with various UN departments and specialised agencies. *UNRISD will continue to work in consultation with other UN agencies and will work to strengthen the linkages.*

Substantive issues

An OIOS impact assessment showed that:

- The outreach activities of UNRISD like disseminating its research papers and publications, covered a vast geographical area and had a wide support from academic and research fraternity.
- UNRISD activities were very useful or often useful to the work carried out by most of the recipients of its publications, who found the quality of UNRISD research publications very good and its research relevant to contemporary development debates.
- The impact assessment pointed out the need for UNRISD to more closely target policy makers in the UN and in national governments, to create more awareness in the outside community on its activities and to focus on improving its media coverage.
- UNRISD had no clear strategy to target UN departments and specialised agencies or their staff members. The Dag Hammarskjold Library and the UNOG Library only had a few UNRISD publications in their depositories instead of a complete collection. *UNRISD will ensure that all future publications are sent to these libraries and past publications to the extent possible.*

Administrative issues

- The role and responsibilities of the Director are not been adequately defined in the ST/SGB. The Director is fully responsible for the management and direction of the Institute. He is also responsible for fund raising and ensuring the sustainability of the Institute. The term of the Director has neither been defined. A revised ST/ SGB or a statute should define clearly the role and responsibilities of the Director including the term of office. *UNRISD agreed that the role, responsibilities, accountability and term of office of the Director should be established in a revised ST/SGB.*
- Aside from the seven per cent support costs that UNRISD pays UNOG for administrative services, UNRISD has its own administration and finance support, some of which could be better provided by UNOG. UNRISD should review the arrangements with UNOG and reduce expenditures on in-house administrative support.
- According to the ST/SGB requests for the recruitment of Staff should be initiated against posts authorised by the Board. In practice, the Director established the posts as and when required and only informed the Board through the annual report. UNRISD should ensure that the Board authorizes the posts before they are established and filled.

June 2005

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I. INTRODUCTION

1. From November 2004 to January 2005, OIOS conducted an audit of the United Nations Research Institute for Social Development (UNRISD). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. UNRISD is an autonomous UN entity, created in 1963 “to conduct research into problems and policies of social development and relationships between various types of social development and economic development during different phases of economic growth”. The Secretary-General's Bulletin (ST/SGB/126 dated 1 August 1963) defines the purposes and general organization of the Institute and establishes the arrangements for the provision of financial, personnel and other administrative services to UNRISD.
3. UNRISD is entirely funded by voluntary contributions. A Board established by the Secretary-General governs UNRISD. The Board meets annually, reviews the UNRISD progress report, and the Administrative and Financial report and approves the following year's programmes and budget. UNRISD's annual expenditure amounts to some \$ 4.9 million in 2004. In December 2004, the Institute had 20 staff members, including 13 Professionals.
4. UNRISD is subject to the audits of the Board of Auditors (BOA) on a regular basis. The last BOA audit was in May 2003. This is the first audit by OIOS. The former UN Internal Audit Division, carried out an audit in 1992.
5. A draft of this report was shared with the Director of UNRISD on 22 March 2005, whose comments which were received in May 2005, have been reflected in the report in italics. *UNRISD has accepted most of the recommendations made and is in the process of implementing them.*

II. AUDIT OBJECTIVES

6. The main objectives of the audit were to:
 - Review the relevance of ST/SGB/126 on UNRISD, the adequacy and effectiveness of the current governance structure and UNRISD's linkages with other UN entities;
 - Review the current funding arrangements and their sustainability;
 - Determine the effectiveness of management practices to achieve UNRISD's programmes/projects objectives; and
 - Determine the adequacy and the effectiveness of internal controls to ensure efficient use of resources and compliance with UN Regulations and Rules.

III. AUDIT SCOPE AND METHODOLOGY

7. Considering that UNRISD is an autonomous UN entity and that it was the first OIOS audit, the audit scope included a comprehensive review of its governance structure, funding arrangements, research and outreach activities, and its administrative arrangements. The audit covered the period January 2002 to December 2004 and covered an expenditure of \$12.3 million. The audit focused on ST/SGB/126, funding resources and its sustainability, various

UNRISD research projects and their outputs and UNRISD outreach activities. The audit reviewed the UNRISD submissions to the Board, the minutes of the Board meetings, the annual work programmes and the annual reports, important research project reports and other relevant documents.

8. The audit team interviewed the Director and other key staff members of UNRISD to solicit their views on the functioning of UNRISD, reviewed on a sampling basis various programme documents and financial and personnel records. OIOS also undertook a survey and sent out a questionnaire to a list of recipients of UNRISD's publications to get their rating and comments on UNRISD research and outreach activities. This survey was intended to make an independent impact assessment of UNRISD research and outreach activities. OIOS also held discussions with Human Resources Officers at UNOG. OIOS utilized the governance structure and other arrangements established by the UN for other similar independent entities like the United Nations System Staff College (UNSSC), the United Nations Interregional Crime and Justice Research Institute (UNICRI) and the United Nations Institute for Disarmament Research (UNIDIR) as external benchmarks.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Governance issues

A clear 'statute' needs to be established

9. In January 1961, the United Nations resolved that the decade of the 1960s would be the "UN Development Decade." In connection with this, the Government of The Netherlands made a special contribution equivalent of \$1 million for the establishment and operation of a United Nations Research Institute for Social Development. The Secretary-General accepted the gift and established UNRISD. According to the report of the Secretary-General to the GA at its Eighteenth Session (A/C.5/936 dated 22 October 1962), the purpose of the Institute would be to conduct, over a period of from three to five years, beginning in 1964, research into problems and policies of social development. The Fifth Committee in its report (A/5391 dated 19 December 1962) took note of the acceptance of the gift to be used for the establishment and operation of UNRISD.

10. The Secretary-General established UNRISD by issuing a Bulletin ST/SGB/126 dated 1 August 1963. The ST/SGB mentions the purposes and general organisation of the Institute including the establishment of a Board to supervise UNRISD, as well as the arrangements for the provision of financial, personnel and other administrative services. Unlike other similar independent UN entities like UNICRI, UNIDIR and UNSSC, UNRISD does not have a "statute" stemming from a GA or ECOSOC Resolution.

11. After 41 years, ST/SGB/126 still governs the functioning of UNRISD. According to the ST/SGB, the Institute is an autonomous UN activity and the arrangements made in 1963 to meet the requirements of the envisaged three to five years, were *ad hoc*. However, the Institute continued its activities over four decades. Therefore, in OIOS opinion, the ST/SGB does not reflect the current status and activities of the Institute. Many of the administrative arrangements no longer correspond to the provisions of the ST/SGB. In many respects, the ST/SGB is no longer relevant. UNRISD should seek a clear mandate from the Secretary-General and prepare a proper statute establishing clear objectives and a governance structure.

Recommendation:

- The UNRISD Director in consultation with its Board and the UN Department of Economic and Social Affairs (DESA), should seek a clear mandate for UNRISD and prepare a draft ‘statute’ with clear objectives and arrangements, which could be promulgated in the form of a revised ST/SGB (Rec. 01).

12. UNRISD agreed that the UNRISD statute needs revisiting after so many years and that it would help UNRISD to codify a number of practices that have developed over the years. Upon receipt of this report, UNRISD would consult with DESA on the relevant procedures. OIOS will retain the recommendation for follow-up relating to the revision of the statute of UNRISD.

The Role and responsibilities of the Board needs to be reviewed

13. According to ST/SGB/126/Amend.1, the Board is composed of 14 members, i.e. a Chairperson, appointed by the Secretary-General, five members nominated by the Social Commission and confirmed by ECOSOC, a representative of the Secretary-General, the Director of the Institute for Economic and Social Development Planning of the Economic Commission for Latin America and the Directors of the Development Planning Institutes for Asia and for Africa; the Director of the UN Economic and Social Office in Beirut; the representatives of two of the following specialized agencies particularly concerned, the ILO, UNESCO, FAO and WHO, occupying these seats according to a scheme of rotation; the Director of the Institute, ex-officio.

14. The composition of the Board has significantly changed over a period of time. The current Board consists of 20 members, i.e. a Chairperson appointed by the Secretary-General; ten members nominated by the Commission for Social Development and confirmed by ECOSOC; a representative of the Secretary-General; a representative of DESA; the Director of the Latin American and Caribbean Institute for Economic and Social Planning; the Director of the Asian and Pacific Development Centre; the Director of the African Institute for Economic Development and Planning; the Executive Secretary of the Economic and Social Commission for Western Asia and the Representatives of two of the following specialized agencies appointed in rotation ILO, FAO, UNESCO and the WHO, the Director of the UNRISD, ex-officio. The term of the each nominated member is four years, renewable once for a further period of two years.

15. According to the ST/SGB, UNRISD is under the supervision of the Board. The Board has (a) to lay down general rules governing the action of the Institute in matters entrusted to it; (b) to review and approve work programmes and the relevant budgets; and (c) to submit to the Social Commission (now the Commission for Social Development), regularly, a progress report on the work of the Institute. In practice, the Board met only once a year for one or two days and there was no formal supervisory arrangement throughout the year. OIOS noted that even during the annual meetings, several members were absent. *UNRISD stated that the frequency of the Board’s meeting depends on the nature of the work of the Institute. The average programme cycle of an UNRISD project is 18–24 months. Not much requiring the Board’s decisions happens between the Board’s approval of the project, the acquisition of funds for the project and getting the research started, and the completion of the research project itself.*

16. During the annual meetings, the Board approved the work progress report and financial and administrative report submitted by the Director. The minutes of the Board discussions disclosed that the Board focused on the substantive activities relating to the focus areas, the ongoing research projects and their status. Issues relating to the financial and administrative areas were not adequately discussed. *UNRISD clarified that the Board is presented with the Administrative and Financial Report each year and there is discussion if questions are raised on financial or administrative issues. UNRISD further noted that the major concern of the Board is funding levels, rather than day-to-day financial and administrative matters which are considered the responsibility of the Director.* In OIOS opinion, the Board should function as a full-fledged governing body, not only in the research activities but also to supervise and oversee the accountability of UNRISD to its stakeholders, including its donors. *UNRISD stated that the role of the Board would be taken into account in discussions with DESA and the Board in a revision of the ST/SGB.*

17. UNRISD is entirely funded by voluntary contributions and funding has not been stable from the beginning of UNRISD. OIOS also noted that unlike the other independent UN entities, the ST/SGB does not envisage any role for the Board in fund raising. However, OIOS learnt that some of the Board members informally assisted the Director in his fund raising efforts. OIOS believes that UNRISD should consider active involvement of the Board members in fund raising. Their collective and concerted efforts could help ensure the sustainability of the Institute. *UNRISD did not agree with OIOS' opinion, stating that to engage Board members directly in fund-raising is unrealistic and probably not healthy for the operation of the Board. First, it would divide the Board between members with relatively easy access to donor countries and institutions and those that do not have access. Second, it would tend to make Board members focus on the programmes for whose funding they were responsible. Third, it would be assigning to the Board an executive role of the Director and would most likely lead to confusion among donors. UNRISD in this context, considers it important that one person is fully accountable for the finances of the Institute. UNRISD further stated that Board members often assist the Institute in funding by indicating to UNRISD where opportunities are and also individually lobby certain donors on UNRISD's behalf, but leave actual administrative contacts with the Director.*

18. OIOS, however, noted that at UNRISD donor's meeting held in 1999, the donors had expressed their concern about their lack of involvement in the Board and had stated that "what role might there be for donors in UNRISD governance structure to find an acceptable balance between institutional independence and the desire of donors to be involved beyond their current role as sources of funds only." Their inclusion in the Board needs to be considered. *However, UNRISD for three reasons did not accept this suggestion. UNRISD stated that (i) one important guarantee of a research institution's autonomy is that those who fund the Institute should not serve on the Board. This is to avoid conflict of interests among funders themselves and to protect the image of the Institute as a truly independent research institution. (ii) a number of key funding organizations do not allow their staff members to sit on boards of institutions they fund and (iii) this would go against the basic principle that once members give money to the United Nations, the moneys must be managed by UN agencies themselves, while duly respecting normal accountability requirements (regular reporting, auditing, etc.).*

19. OIOS also noted that all the Board members nominated by the Commission for Social Development are researchers of excellence in the same social research field as UNRISD. This may pose a risk that some may participate in or direct UNRISD research projects resulting in

potential conflict of interest. Though UNRISD assured the auditors that there is an unwritten rule that Board members could not be involved in any remunerated UNRISD research projects, OIOS believes that this condition should be formalized.

Recommendation:

- The Director of UNRISD, as part of the establishment of the statute, should review the composition, role and the responsibilities of the Board and submit a proposal to ensure UNRISD's accountability to its stakeholders. The statute should determine whether or not Board members should be actively involved in fund raising efforts and should include a clause prohibiting the participation of Board members in UNRISD's substantive activities (Rec. 02).

20. *UNRISD maintains that the revised roles and responsibilities of the Board should not include fund raising.* While respecting the views of UNRISD, OIOS wishes to point out that the statute of UNICRI, an independent UN research institute, approved by ECOSOC, requires Board Members to be involved in fund raising. OIOS retains this recommendation, awaiting the review of the ST/SGB and/or statute of UNRISD and the envisaged future role for the Board members that should not be decided without consulting the stakeholders.

Linkages with other UN Departments and Specialized Agencies

21. UNRISD's linkages with the UN Secretariat and other specialized agencies are important to make its research activities relevant to the work of UN Departments and Specialized Agencies and to avoid duplication. According to the ST/SGB, UNRISD is required to coordinate its work with that of the UN Secretariat and the Specialized Agencies. However, the ST/SGB had not established any formal working relationship or arrangements with any of the UN Departments like DESA or any of the Specialized Agencies. It only included their representatives in the Board on a rotation basis. *UNRISD clarified that it was required to report to the Commission for Social Development for which DESA is the Secretariat, therefore UNRISD is considered under the jurisdiction of DESA and maintains close working relationships with the Under-Secretary-General of this Department and the Division for Social Policy and Development. It is also a member of the UN Executive Committee on Economic and Social Affairs (EC-ESA). UNRISD considers that the excessive focus on formal arrangements detracts from the close relationship maintained with other UN agencies on a number of issues including organization of conferences, co-publications, consultancy services etc.*

22. The evaluation report on UNRISD commissioned by the Nordic countries in 1997 had pointed out that "as a UN organisation, UNRISD is expected to maintain special relations with the other agencies of the UN system. The findings stemming from its research programmes on social development are envisaged to be fed into the policies, programme and projects of any UN organisation. However, there are no established procedures for how these relationships could or should evolve.....it seems that relations, to the extent that they do exist, have evolved in an *ad hoc* manner. It also should be noted that many UN organisations, rather than relying on UNRISD inputs into their activities, have developed capabilities of their own in this field" (emphasis added).

23. Review of the existing linkages indicated that UNRISD had made some progress in establishing linkages with the UN Departments and Specialized Agencies. UNRISD undertook initiatives to strengthen inter-agency links by promoting exchange of views on issues of social development among UN officials from various agencies. However, these arrangements and efforts, in OIOS opinion, continue to be *ad hoc*. It was also noted from the minutes that the Board had time and again reiterated the need for coordination with UN departments and agencies. For example, the Board had emphasized the need for UNRISD to link its activities to the timeline and core themes of the Millennium Development Goals (MDGs). UNRISD needs to follow its linkage to MDGs. *UNRISD replied that its work on social policy is recognised as highly relevant to MDGs.*

24. In order to maximize its impact, UNRISD should develop a comprehensive strategy to establish strong linkages with other UN departments and specialized agencies. This would facilitate a multi disciplinary approach and involvement of others in its research activities. This would also provide an opportunity for UNRISD to be involved in major international activities organized by the UN and the Specialized Agencies in the field of social development.

Recommendation:

- The Director of UNRISD in consultation with the Board should formulate a strategy to establish clear and well-defined linkages with the various UN departments and specialised agencies to avoid any duplication of the research activities and ensure that the results of UNRISD research are widely accepted and utilised by the UN system (Rec. 03).

25. *UNRISD did not accept the recommendation, but stated that UNRISD would however continue to work in consultation with other UN agencies and would work to strengthen the linkages.* OIOS thinks that UNRISD could more effectively manage its linkages with UN departments and agencies and coordinate its work through a more concrete strategy that clearly outlines its approaches and direction in developing relationships, as pointed out in the evaluation report. OIOS retains this recommendation for a follow-up of the strategy and results after one year.

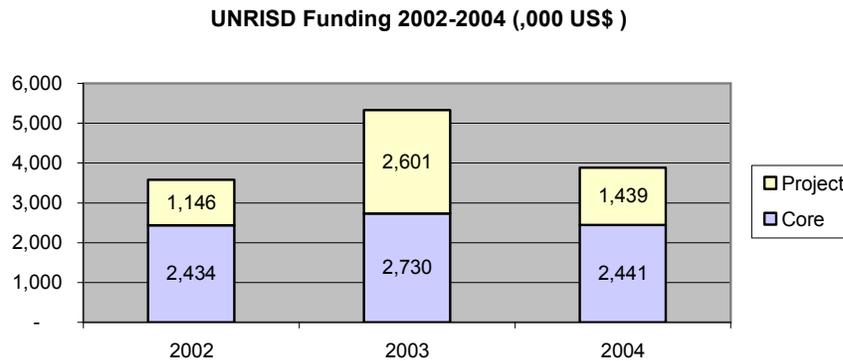
B. Funding issues

UNRISD needs to expand its funding sources.

26. UNRISD is entirely funded by voluntary contributions. UNRISD receives two types of contributions: (i) core funding to support the core activities of UNRISD, pledged annually from eight Member States and (ii) project funding for specific research and outreach projects. In order to ensure effective research activities, in October 2002, the UNRISD Director had set a target of achieving 1:1 in terms of core and project funding.

27. During the period under review, the core funding remained stable whereas there were wide fluctuations in the project funding and the proportion of core to project funding was far from the targeted 1:1 ratio. *UNRISD clarified that the 1:1 ratio was a self-imposed target that UNRISD knew from the beginning was a moving target and that the target ratio was not for a*

single year but over a reasonable period. The graph below highlights the proportion of the core and project funding.



28. Fund raising has been one of the major responsibilities of the Director and UNRISD has been able to stabilise its core funding to a limited extent by getting a three-year pledge from the United Kingdom and Sweden. However, The Netherlands cut its core contribution to UNRISD in 2004. Therefore the funding situation continued to be unstable. The Director with the active involvement of the Board should formulate strategies to enhance core funding to multi year pledges and attract wider funding for the projects. *UNRISD stated that the trends are encouraging and that quite a reasonable level has been achieved.*

29. In OIOS opinion, UNRISD needs to interact with the wider donors to present its activities and projects to enhance their interest in UNRISD activities. OIOS noted that the donor meeting held in 1999 was a good initiative, however no such formal interaction took place after that, except one-to-one visits and progress reports by the Director to the core funding donors. UNRISD needs to meet with a wider donor community periodically to enhance its donors' confidence and win more funding.

Recommendation:

- The Director of UNRISD, in coordination with the Board, should formulate a fund raising strategy aimed at broadening the funding base and obtaining multi year pledges for core funding. UNRISD should also regularly organise donor meetings to publicise its activities to enhance donor confidence (Rec. 04).

30. *UNRISD agreed that donor meetings should be organised, but in conjunction with programme cycle i.e. every 3-5 years. UNRISD added that a new programme of work for the next five years (2006-2010) had been approved by the Board, would be submitted to donors at the meeting to be organized this autumn, but it could not influence a government or other institution to provide funding on a multi-year pledge. UNRISD further stated that in line with the new five-year research programme, UNRISD would incorporate a fund-raising strategy document, which would include broadening the funding base. OIOS will retain this recommendation for a follow up of the outcome of the proposed donor meeting by the end of 2005.*

C. Substantive activities

Impact assessment survey results

31. OIOS noted from the annual reports and the Board discussions that UNRISD with the support of the Board, had developed a sound research and outreach strategy and detailed plans for specific projects and publications. In 2004, UNRISD had 10 ongoing research projects and during 2002-2004 period organised on average 13 international conferences and workshops every year. In addition to its in-house research capacity, UNRISD engaged consultants throughout the world. OIOS noted from the minutes of the Board meetings that one of the problems faced by UNRISD was to assess its impact due to the scarcity of feedback and the difficulty in monitoring the impact of its outreach efforts.

32. In order to make an independent and objective assessment of the impact of UNRISD activities, OIOS developed a survey questionnaire. The questionnaire contained questions relating to the quality and relevance of UNRISD research publications, how UNRISD activities like publications, research activities, meetings and expert networks were useful to the activities of the recipients of the publications, the most relevant focus area of UNRISD research areas and the impact of its dissemination efforts and so on. OIOS obtained three electronic mailing lists maintained and used by UNRISD to send electronic information on or copies of its publications. From the list OIOS selected specific categories of addresses like the list of UN departments and specialised agencies, National Government departments, list of Universities and their libraries, research scholars in the mailing list. OIOS selected 706 e-mail addresses and sent the questionnaire by e-mails. The results of the survey are given below:

- i. Out of the 706 copies mailed, 268 mails returned due to invalid mail address. UNRISD's mailing lists were not regularly updated and the existing mailing information system needed a comprehensive review. OIOS also noted that UNRISD sends most of its publications in printed version instead of electronic version, which leads UNRISD to update only the recipients' post mailing addresses instead of timely updates to their e-mail addresses. *UNRISD stated that the lists of email addresses provided to OIOS are not strictly essential to the purpose of these mailing lists and are therefore not systematically updated.*
- ii. OIOS received only 45 replies, which was 10 per cent of the 438 successfully sent copies. However, the respondents were from 26 countries representing a wide geographical area ranging from East Timor, Kuwait, South Africa, Uganda, Peru, USA, Norway and so on. UNRISD had a wide geographical coverage of its dissemination.
- iii. The responses indicated that UNRISD was able to make a significant impact among research and academic community like professors, researchers, students and libraries. However, the response rate from international organisations like UN and Specialised Agencies and various Government representatives, was only 15 per cent. UNRISD should look into the causes of this low response rate from policy makers.

- iv. Significant percentage (93) of the respondents described the overall quality of the UNRISD research publications in terms of topic and analysis as excellent or good in comparison to the publications by the peer research institutes. They also attested that the research programmes by UNRISD were very relevant to the contemporary development debates in the field of social development.
- v. To the question, how important was UNRISD's work to respondent or the organization he or she represented, a good percentage (71) of them rated the work of UNRISD as important to the work of their organization.
- vi. The outreach activities of UNRISD that had greater impact was through the dissemination of its printed publications and website. The media coverage of UNRISD activities requires improvement and OIOS recommended that UNRISD review its dissemination strategy to improve its profile in the general media. *UNRISD agreed with the recommendation, but its implementation awaits the restructuring of its Dissemination Unit.*
- vii. UNRISD has been consistent in sending their publications and other research papers. Most of the respondents have been receiving UNRISD publications for more than a year and about 40 per cent have been receiving them for more than five years. They were receiving more than three publications in a year.
- viii. Of the various focus areas of UNRISD like civil society, democracy, gender equity, economic policy, ethnicity, governance, health, HIV/AIDS, information technology, social movement, social policy, sustainable development, rural development etc., the respondents found that the UNRISD focus areas that were relevant (with more than 60 per cent responses) for their work are sustainable development, gender equity, civil society and governance. The focus areas with less relevance (below 30 per cent responses) were health, HIV/AIDS, information technology, water, UN Summits and public sector.
- ix. Almost all the respondents believed that UNRISD had to create more awareness to the outside community on its activities. Some of the suggestions were more publications in regional or specialized professional newspapers, more language versions, more online documents, access to more networks, and increased coverage by mainstream quality media, etc.
- x. UNRISD books and co-published books, UNRISD research papers and the newly introduced research and policy brief were publications that had major impact on the recipients.

33. In addition to the survey results, OIOS noted the following issues relating to the research projects and the dissemination of its publications:

- i. In order to measure its research accomplishments, UNRISD utilised various outputs, such as number of publications produced and number of recipients and website visitors as performance indicators. However, OIOS believes that additional performance indicators that measure impact of its outputs like the number of citations of its research publication by peer researchers, specific cases that policy makers formulate policies based on UNRISD research works should also be emphasized. On an *ad-hoc* basis, UNRISD kept manual records of

citations by peer researchers, plus some *ad-hoc* queries to research citation database. But these citations were not used for any meaningful evaluation purposes and for the setting of any further action plans, though the number of research citations was included in UNRISD report. *UNRISD commented that while it does not have an automated citation monitoring mechanism in place, the information it manually gathers assists dissemination staff in determining priority areas for planning dissemination and allows the Institute to identify new outreach possibilities and further develop interaction with academic journals, general media outlets and universities.* OIOS recommended that UNRISD, as part of its self-evaluation mechanism, develop and include result-orientated performance indicators in its substantive research and outreach activities. *UNRISD agreed with this recommendation, which it would implement in conjunction with OIOS' recommendation to review UNRISD's dissemination strategy to improve its media profile. UNRISD further stated that it had already acquired better performing web site indicators and is envisaging steps to acquire commercial citation information.*

- ii. UNRISD needs to do more to target the UN Departments and the specialised agencies or their staff members. OIOS found that the Dag Hammarskjold Library and the UNOG Library had only a few UNRISD publications in their depositories instead of a complete collection. UNRISD could further intensify its interaction with policy makers in the UN system by exploiting more interaction channels, such as complete publication deposit in the main UN and Specialised Agencies libraries and e-newsletter circulation to UN staff. OIOS recommended that UNRISD provide a complete depository of its publications to the main libraries of the UN and Specialised Agencies to maximise its impact on the policy makers. *UNRISD accepted this recommendation and added that they would ensure that all future publications are sent to these libraries and past publications to the extent possible. They further stated that it had started working on a production of a CD-ROM containing all reports available to date and would be made available to libraries of the UN and UN specialized agencies. UNRISD's expected delivery date of the CD-ROM is July 2005.*
- iii. UNRISD has three independent mailing information systems: Owl Track, Media Hound and E-mail alerts database. The first two were used for printed documents disseminations and the third one for electronic dissemination. A different staff member maintains each system. The audit found that there was redundant and invalid information. The mailing lists need to be reviewed. UNRISD should consider integrating these three systems to avoid data redundancy, shifting its main mailing method from sending printed documents to more economic electronic mailing and updating its mailing contents according to the personalized choices of the recipients. *UNRISD agreed that both UNRISD main mailing database and the Media Hound database could be integrated, but pointed out that the UNRISD Email Alert database, had a clearly distinct purpose from the UNRISD mailing database and the Media Hound database and should not be integrated with the first two.*
- iv. *UNRISD maintained a very active and user-friendly website. All in-house publications were available on this site, free of charge. UNRISD relied on an external IT company, not UNOG ICTS, to host the web server and for data back-*

up. Internally, however, UNRISD neither prepares its own disaster recovery plan nor test runs such a plan. Information security on this website should become a priority of UNRISD. OIOS recommended that UNRISD prepare and test run the disaster recovery plan of its website to ensure information security. *UNRISD accepted this recommendation to further improve the security of its website and stated that given the restructuring of its Dissemination Unit, it could not indicate an estimated date of completion.*

D. Administrative issues

The functions of the Director

34. ST/SGB/126 states that the Director of the Institute is appointed by the Secretary-General after consultation with the Board or its Chairman and that the Director serves as an ex-officio Board member. However, the ST/SGB does not mention the role and responsibilities of the Director, except for some provisions stipulating the Director as responsible for the preparation of annual budget estimates, Head of UNRISD staff, and as an initiator of request for staff recruitment. According to the ST/SGB, the Board has the supervisory authority over the Institute. However, the Director's accountability to the Board or his independence from the Board has not been established properly.

35. Over the 41 years of UNRISD's operations, the role and responsibilities of the Director had evolved, and currently he is fully responsible for the management and direction of the Institute. He is also responsible for fund raising. The ST/SGB had not defined the term of the Director and procedures for the extension of his contract. The current Director was appointed for a period of two years on 1 May 1998 and has been renewed every two years thereafter. His current contract expires by 30 April 2006. In OIOS opinion, the term of the Director should be pre-determined to provide long-term stability and to enable the incumbents to have strategic directions. In OIOS opinion, the review of the ST/SGB as recommended in Recommendation 01 of this report should also include the establishment of proper role and responsibilities for the Director, including the selection, appointment, term of office, accountability and reporting line of the Director.

Recommendation:

- The Director of UNRISD, in consultation with the Board and as part of the implementation of Recommendation 01 of this report, should submit to the Secretary-General a proposal to clearly establish the role, responsibilities, accountability and term of office of the Director of the Institute (Rec.05).

36. UNRISD agreed that the role, responsibilities, accountability and term of office of the Director should be established in a revised ST/SGB. OIOS will retain the recommendation for a follow-up of the revision of the ST/SGB.

Arrangements with UNOG

37. On the administrative, financial and personnel arrangements between UNRISD and

UNOG, ST/SGB/126 stipulates that such service should be provided without charge except printing and translation. However, over the period, the situation changed, and currently UNOG is charging 7 per cent of UNRISD expenditures as support costs in addition to the IT support costs, charged to UNRISD since 2003. For the years 2002, 2003 and 2004, UNOG charged UNRISD the amounts of \$209,700, \$273,800 and \$ 322,300 respectively for programme support costs. Furthermore, for the transitory period in 2003, UNRISD paid separately UNOG for IT support cost of \$97,000. Then, from 2004, based on a service level agreement (SLA) signed on 14 January 2004, UNOG's charges for IT support is \$98,000 yearly for General Service salary, plus service level costs for 31 personal computers totalling \$15,655. In addition, UNRISD estimates the costs for the administration and finance support that it carries out itself, at \$493,000 and \$480,500 for 2003 and 2004 respectively. OIOS estimated that overall UNRISD spends about 16 per cent of its resources on administration and finance support.

38. Regarding its arrangements with UNOG, UNRISD had not established any Memorandum of Understanding (MOU) listing out the services to be provided by UNOG, except the SLA. In OIOS view, some of the expenditure incurred by UNRISD for its own administrative and finance support could be better arranged with UNOG. According to the new delegation of authority provided to UNOG by the UN Controller, UNOG is reviewing the level of support it is currently providing to various UN entities. In the absence of an MOU, UNRISD should renegotiate the service arrangements with UNOG, list the type of service that UNOG should provide for the programme support charged and include some arrangements currently carried out by UNRISD on its own.

Recommendation:

- UNRISD should review its administrative support arrangements to reduce its expenditure for finance and administration support, and sign an agreement with UNOG for services it can provide (Rec. 06).

39. UNRISD accepted the recommendation and stated that it is not possible to indicate a timeframe for finalization of an agreement with UNOG since this should be discussed after the revision of the statutes. OIOS will close this recommendation as implemented when it receives a copy of a new Agreement with UNOG.

Human Resources Management

40. According to ST/SGB/126, the Director has authority to recruit staff subject to the staff rules of the United Nations and their service is limited to UNRISD. The ST/SGB also stipulated that the requests for the recruitment should be initiated against the establishment of posts authorised by the Board. In practice, the Director established the posts as and when required and only informed the Board ex-post facto through the annual report. OIOS also noted that all professional UNRISD staff members were employed under the 200 series staff rules, which is meant for short-term project personnel.

41. UNRISD staff members are governed by UN staff rules. However, UNRISD has not established any formal procedures for promotion or upgrading the levels of the staff members. During the review period, the Director requested UNOG to reclassify two L posts (L-6 and L-5) and upgraded two staff members without any competitive process. Furthermore, UNRISD

had no annual performance appraisal system to evaluate the performance of its staff members. It was therefore not clear to OIOS on what basis the contracts were extended and not extended in some cases. *UNRISD clarified that an upgrading of a post is only approved when a change in the tasks justifies this, thereby resulting in a promotion of the incumbent. As UNRISD has a small number of service-limited posts, it is not feasible to envisage an internal promotion procedure since an upgrading of the post would only be warranted if the tasks change.*

Recommendation:

- UNRISD should establish a proper staffing table to be approved by the Board, before initiating recruitments, in accordance with ST/SGB/126. UNRISD should also establish procedures for appointment and promotion and an annual performance appraisal system (Rec. 07).

42. *UNRISD commented that its Board approves UNRISD's research programmes but it has very little control over the size of the project or funding, which determines the staffing requirements. UNRISD therefore does not agree that the staffing table should be approved by the Board, before initiating recruitments, unless this becomes mandatory in the proposed revision to the ST/SGB. UNRISD agreed that an annual performance appraisal for all staff should be established and would examine procedures in effect in other similar institutions with a view to implement such a system this year. OIOS will record this recommendation as implemented when it receives a copy of the staffing table as authorized by the Board, in accordance with ST/SGB 126, and of procedures for appointment, promotion and performance appraisal.*

Hiring of individual contractors and consultants

43. UNRISD has been hiring research assistants, on an average of seven per year, as consultants working in UNRISD. Most of them work up to the maximum allowable 24 months within a 36-month period. They perform routine research work, which according to ST/AI/1999/7 requires the consideration of the establishment of posts. UNRISD also authorised annual leave, which is not allowed for consultants. UNRISD should consider creating posts and recruit staff members if the requirement is needed for a longer duration. *UNRISD explained that since the project cycle is generally around two years, and given the funding insecurity, the budgetary implications of creating posts with full UN staff entitlements would mean that UNRISD could only envisage hiring 2 or 3 assistants on regular posts, rather than 6-8 persons on a consultancy basis.*

44. In addition, UNRISD also hired external researchers as consultants to carry out or co-ordinate research projects in different countries. During the review period, UNRISD signed a total of 464 consultant contracts (including contracts signed with research assistants) in 2002, 2003 and 2004 (till 30 November 2004). However, UNRISD does not maintain a roster of consultants and the procedures for the selection, verification of experience and credentials and the fixation of the fees were varied and were not always apparent on the available files. The consultants were selected by the responsible research co-ordinators. UNRISD should establish a roster of consultants on a global basis, and ensure that the selection procedures, extension and evaluation of performance are done in accordance with the ST/AI/1999/7. *UNRISD stated that it does not maintain a roster for research consultants because UNRISD*

project staff are specialists in different fields and have knowledge of who is doing what in their particular area. A roster assumes a fixed pool of consultants but given the continually changing nature of research, UNRISD cannot rely on a fixed database. OIOS does not consider a roster as a fixed pool, but as a tool to identify specialists from different fields in a transparent manner.

45. Since 1997, UNRISD hired a retired staff member as an individual contractor to advise the Director on financial and personnel issues. Every year the consultant worked part-time from January to June and full time from October to December. The annual fee paid to the consultant was about \$22,000. In OIOS opinion, most of the tasks performed by this retiree could be executed by IMIS IRFA and some tailor-made worksheet programmes. *UNRISD agreed that certain tasks could be provided by IRFA and specific worksheet programmes and that UNRISD will look into this.*

Recommendation:

- UNRISD should establish a roster of consultants on a global basis and establish more transparent procedures for their selection (Rec. 08).

46. *UNRISD did not accept to establish a roster of consultants for its research work. OIOS wishes to point out that a roster of consultants provides a reliable and up-to-date basis for selecting consultants in a transparent manner. OIOS will consider this recommendation after it verifies the list of consultants maintained by UNRISD.*

Other administrative issues

47. OIOS reviewed the grant agreement signed by the Director/UNRISD with the Ford Foundation. According to the grant agreement, the Foundation is authorised to conduct audits, including on-site audits, at any time during the term of the grant, and within four years after completion of the grant. OIOS notes that authorizing third parties to audit UN entities is not in conformity with the UN Financial Regulations. UNRISD needs to revise this agreement and ensure that stipulations of this nature are avoided in the future grant agreements. *An amended agreement in conformity with UN Financial Regulations was subsequently requested and signed in early February 2005.*

V. FURTHER ACTIONS REQUIRED ON RECOMMENDATIONS

48. OIOS monitors the implementation of its audit recommendations for reporting to the Secretary-General and to the General Assembly. The responses received on the audit recommendations contained in the draft report have been recorded in our recommendations database. In order to record full implementation, the actions described in the following table are required:

Rec. no.	Action/ document required to close the recommendation
1*	Revised ST/SGB or a statute.
2*	Revised ST/SGB or a statute.
3*	Strategy to establish effective linkage between UNRISD and UN departments and other UN entities
4	Report on the outcome of the proposed donor meeting by the end of 2005.
5*	Revised ST/SGB or a statute.
6	Revised MOU with UNOG
7	Copy of a staffing table, and procedures for appointment, promotion and performance appraisals
8	List of the consultants maintained

* Critical Recommendations

VI. ACKNOWLEDGEMENT

49. I wish to express my appreciation for the assistance and cooperation extended to the auditors by the management and staff of UNRISD.

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