UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations

AUDIT

OF

THE UN WOMEN TRAINING CENTRE

IN THE

DOMINICAN REPUBLIC

Report No. 1230

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Report on the audit of the UN Women Training Centre in the Dominican Republic
Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of the UN Women Training Centre in the Dominican Republic (the Centre) from 13 February to 5 March 2014. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the following areas and sub-areas:

(a) governance and strategic management (organizational structure and delegations of authority, leadership/ethics and values, risk management, planning);

(b) strategic framework for the Centre (training needs, demand and delivery mechanisms, partnerships and resource mobilization, monitoring and reporting, training design and curriculum development); and

(c) operations (human resources, finance, procurement, information and communication technology, general administration, safety and security, UNDP support to the Centre, asset management and leave management).

The audit mainly covered the activities of the Centre from 1 January to 30 November 2013. The period was expanded to cover some activities as early as January 2011 and as recent as January 2014. This was the first audit of the Centre.

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

Overall audit rating

OAI assessed the Centre as **unsatisfactory**, which means "Internal controls, governance and risk management processes were either not established or not functioning well. The issues were such that the achievement of the overall objectives of the audited entity could be seriously compromised." This rating was mainly due to weaknesses in leadership, monitoring, and financial management.

Key recommendations: Total = **11**, high priority = **8**

For high (critical) priority recommendations, prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women. All high (critical) priority recommendations are presented below:

Limited country presence (Issue 1)	Although Executive Board decision 2012/6 indicated, *inter alia*, that UN Women was to establish a Country Office in the Dominican Republic, corporately the decision was taken to maintain only the Centre due to available funding and competing priorities. Nonetheless, a Country Representative and a National Gender Advisor had been appointed, but they had been unable to implement a development programme in the Country. Recommendation: Define UN Women's plans for supporting national priorities at the country level relating to gender equality and the empowerment of women, and communicate these plans to the Executive Board and the host government.

Lack of a strategy and guidance (Issue 2)	The activities of the International Research and Training Institute for the Advancement of Women (UN-INSTRAW), one of the four entities that merged to become UN Women, were neither fully evaluated as to its mission and the practicality of maintaining the Centre's location, nor was its role explicitly included in UN Women strategic plans. The Centre had also not developed a medium/long-term plan to provide guidance and operational clarity. This resulted in a lack of a strategy and guidance. Recommendation: Perform a detailed analysis of the Centre's ability to deliver within the existing context and use the analysis to determine the Centre's mandate, mission, role, and optimal location. Recommendation: Develop a medium/long-term plan for achieving the Centre's mandate, as redefined, which identifies major milestones, clearly defined deliverables and the infrastructure necessary to ensure sustainable operations.
Inadequate funding to sustain operations (Issue 3)	The Centre had not secured new non-core resources, and funds inherited from the merger had been frozen, pending the conclusion of discussions with the donor. The Centre has shared responsibility for mobilizing resources with the Resource Mobilization Unit at Headquarters, but this partnership had not yielded any new funds. A resource mobilization strategy had been drafted, but a plan had not been developed to guide these efforts. Recommendation: Maintain adequate funding for the Centre's resource mobilization activities by: (a) finalizing, approving and implementing a resource mobilization strategy and a related plan to guide the Centre's resource mobilization efforts; and (b) providing training to management on how to make its resource mobilization a sustainable activity.
Lack of results management, monitoring and reporting (Issue 5)	The Centre had not developed clear Annual Work Plans or budgets for training, and had not implemented a process for monitoring and reporting on the status of training activities and expenditures. Moreover, the training activities were combined into one project and key performance indicators had not been determined, making it difficult to determine if the Centre had effectively used UN Women resources to deliver on activities. Recommendation: Improve the management, monitoring and reporting of training activities by: (a) developing budgets and Annual Work Plans which delineate individual activities/projects, with clear and measurable outputs and outcomes; (b) assigning a unique code in Atlas for each training activity; (c) developing a facilitated training schedule and budget; (d) implementing a process for monitoring the progress of each Atlas project, including preparation of regular reports for management review that indicate the status of training development compared with the planned status and comparisons of expenditures versus budgets; and (e) implementing a mechanism to track and report on course delivery and participation.

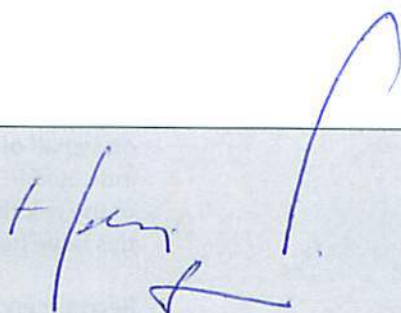|	
Ineffective budgeting process (Issue 7)	The Centre did not have a standardized budgeting process, which resulted in unrealistic budget estimates and insufficient funds being requested to complete activities. Recommendation: Standardize the course development budgeting process to ensure that realistic budget estimates are developed for each of the Annual Work Plan outputs.
Poor utilization of available financial resources (Issue 8)	The Centre had not used its available resources effectively. The Centre had inappropriately allocated costs which utilized hospitality funds and incurred telecommunication expenses above reasonable levels, without ensuring that amounts incurred by staff for personal use were recovered. Also, amounts paid on behalf of another United Nations entity were not recovered. Management indicated in their response that actions have been taken to avoid a reoccurrence of the risks identified. However, pending the validation by OAI of actions taken, this issue has been retained in the audit report. Recommendation: Comply with the 'Programme and Operations Manual' on the utilization of resources by: (a) informing staff on the rules, policies and procedures for the proper use of hospitality funds, cell phones and related mobile devices; (b) recovering amounts attributable to the personal use of cell phones and other devices from the staff; (c) re-examining the existing telecommunication services contract on behalf of another United Nations entity; and (d) performing a full reconciliation of outstanding amounts due from the other United Nations entity, which should include processing fees incurred.
Absence of a Business Continuity Plan (Issue 10)	Although the Centre is located on an island prone to hurricanes and earthquakes, it had not developed a Business Continuity Plan. Instead, the Centre prepared draft procedures on how to work remotely in case of an emergency. An IT risk assessment had also not been performed as part of the development of the Business Continuity Plan. Recommendation: Develop, approve and implement a Business Continuity Plan and ensure that it is adequately tested.

Management comments and action plan

The Chief of the UN Women Training Centre, and the Directors of the Policy Division and the Programme Division accepted all of the recommendations and are in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

Issues with less significance (not included in this report) have been discussed directly with management and actions have been initiated to address them.

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I.   About the Centre

The Centre, located in Santo Domingo, Dominican Republic (the Country), was formerly UN-INSTRAW. This entity, together with three others (the Office of the Special Adviser on Gender Issues and Advancement of Women [OSAGI], the Division for the Advancement of Women of the UN Secretariat [DAW], and the United Nations Development Fund for Women [UNIFEM]), merged to become UN Women on 1 January 2011. Given the transition from being an institute focused on research, to one tasked with delivering training (primarily on-line), the Centre was still in the developmental stage in 2013. The head of the Centre had a dual management role as Chief of the Centre and as Country Representative. UN Women signed the 'Host Country Agreement' with the Government in October 2013; however, the agreement had not been ratified by the legislature to become public law, which precluded the Centre from having accreditation in the Country. The Centre's activities were supported by 11 staff members and an Annual Work Plan for 2012-2013 that required funding of $3.94 million.

II.   Audit results

Satisfactory performance was noted in the following areas:
   (a) <u>Procurement</u>. The review of a sample of eight procurement transactions and four canceled requests for quotations showed that existing controls were adequate.
   (b) <u>Operational support provided by UNDP</u>. The level of support and timeliness of service requests was deemed to be adequate and in line with the Service Level Agreement.

OAI made 11 recommendations ranked high (critical) and medium (important) priority.

Low priority issues/recommendations were discussed directly and agreed with the Centre and are not included in this report.

High priority recommendations, arranged according to significance:
   (a) Perform a detailed analysis of the Centre's continuing operations and determine its mandate, mission, role, and optimal location (Recommendation 2).
   (b) Maintain adequate funding for the Centre's resource mobilization activities (Recommendation 4).
   (c) Define UN Women's plans for supporting national priorities at the country level, and communicate these plans to the Executive Board and the host government (Recommendation 1).
   (d) Develop a medium/long-term plan for achieving the Centre's mandate (Recommendation 3).Standardize the course development budgeting process (Recommendation 8).
   (e) Improve the management, monitoring and reporting of training activities (Recommendation 6).
   (f) Comply with the 'Programme and Operations Manual' on resource utilization (Recommendation 9).
   (g) Develop, approve and implement the Business Continuity Plan and ensure it is adequately tested (Recommendation 11).

Medium priority recommendations, arranged according to significance:
   (a) Redesign the approach used to establish training needs, demand, and delivery mechanisms (Recommendation 5).
   (b) Improve controls over and accountability for projects/activities (Recommendation 7).
   (c) Comply with human resources policies and procedures (Recommendation 10).

The detailed assessment is presented below, per audit area:

A. Governance and strategic management

1. Organizational structure and delegations of authority

Issue 1   Limited country presence

UN Women offices are intended to be strong and responsive agents for the advancement of gender equality and the empowerment of women. Such efforts are implemented through development projects, strategic partnerships, and support to government institutions and stakeholders that play a leading role in shaping gender-related policies.

According to the 'Regional architecture: administrative, budgetary and financial implications and implementation plan' (UNW/2012/10) that was presented to the Executive Board and subsequently endorsed in Executive Board decision 2012/6, UN Women was to establish a Country Office in the Dominican Republic. This would have required the appointment of a Country Representative, as well as supporting programme and operations personnel. Although UN Women had not established a Country Office for programmatic purposes due to competing global priorities, it had appointed a Country Representative, a function performed by the Chief of the Centre, who was supported by a National Gender Advisor assigned with country-specific tasks. OAI reviewed the job description and discussed the duties of the National Gender Advisor with the incumbent and noted that some of the expected work activities were consistent with those of a Country Office, such as liaising with government, mobilizing resources, ensuring the delivery of UN Women's mandate in the Country, and ensuring the successful implementation of the UN Women programme. However, a development programme had not been devised and discussions with government officials and a donor in the Country indicated a greater appetite for development activities than could be provided by one individual. There was also an interest in having UN Women be more active on a national level. In their response to the draft audit report, management indicated that UN Women's presence in the Country has, as its main focus, the work of its global Training Centre, and the UN Women Representative's primary responsibility is the management and leadership of the global Training Centre. Moreover, management stated that UN Women's small programme presence in Santo Domingo is provided though the modest funding and staffing UN Women has available in the Country.

Lack of cohesion between corporate decisions due to staff and resource constraints and what was pledged and endorsed by the Executive Board, may create expectations for UN Women's involvement in the Country and may negatively impact UN Women's reputation.

Priority	High (Critical)
Recommendation 1: Define UN Women's plans for supporting national priorities at the country level relating to gender equality and empowerment of women, and communicate these plans to the Executive Board and the host government. **Responsible HQ division:** Director, Programme Division	
Management action plan: In addition to comments incorporated in the observations, management reiterated its commitment to	

supporting the national priorities of the Government, and to take action as needed. Management also stated that, where requests from national partners, whether programmatic or technical, exceed the capacity of UN Women's current presence, these would be responded to or addressed by the Regional Office, or Headquarters if necessary, depending on the nature of the requests, in consultation with existing United Nations partners in the Country.

Estimated completion date: (No information provided)

2.   Leadership/ethics and values

Issue 2   Lack of a strategy and guidance

Report A/64/588 of the Secretary General, entitled 'Comprehensive proposal for the composite entity for gender equality and the empowerment of women' stated that UN Women would contribute to training and provide ongoing technical advice and information on emerging issues related to gender equality for national partners, including staff of national mechanisms responsible for gender equality and women's organizations, and for staff of the United Nations Common System. Moreover, according to the report, training programmes would be developed and tested, and good practices would be introduced, drawing on the experience in the Country and elsewhere, including a dedicated capacity for training related to gender equality and gender mainstreaming. Following the creation of UN Women, the actual strategy and mandates to be adopted were identified based on the performance of functional analyses by a transition team and the development of a UN Women Strategic Plan.

OAI noted that the merger transition team performed a functional analysis of three (UNIFEM, OSAGI and DAW) of the four merged entities, followed by the development of the UN Women Strategic Plan 2011-2013. However, the activities of UN-INSTRAW were neither fully integrated into the functional analysis, nor explicitly included in UN Women's strategic plans. OAI also noted that:

- The only reference to the Centre in the functional analysis indicated that the thematic clusters, comprised of specialists supporting the normative and operational aspects of UN Women's mandate, would work closely with the Centre. However, no procedures had been designed to guide how the clusters and the Centre would operationalize this relationship. The UN Women Strategic Plan 2011-2013 did not identify a separate strategic priority for the Centre. The 2014-2017 Strategic Plan included one indirect reference to the Centre, which set targets for the number of unique visits to all UN Women virtual platforms, including the Centre's virtual campus, which it was developing. In their response to the draft audit report, the Centre stated that the 2012-2013 Annual Work Plan, as approved by the senior management of UN Women, provided guidance and defined activities needing to be carried out, within three main functions: (1) phasing out of former UN-INSTRAW, (2) establishing a training centre, and (3) managing some training expectations. However, as also stated by management in their response, consideration to integrate the different dimensions to capacity development within UN Women (knowledge management, training, and learning) has yet to result in a clear strategy for the Centre.

- The Centre had not developed a medium/long-term plan providing guidance and clarity for its operations, defining which activities needed to be carried out, and establishing benchmarks to gauge progress made.

Discussions with management indicated that there were significant challenges in regard to the efficient operations of the Centre, related to its location, facility and infrastructure. Although, there was a shared goal

between UN Women management and the Government to maintain the Centre's status quo, this could significantly impact the ability of the Centre to operate efficiently and effectively. Moreover, in the absence of a medium/long-term strategy, the Centre has been guided solely by Annual Work Plans that lack sufficient details regarding activities and development projects, outcomes and deliverables. This negatively impacted the results obtained by the Centre, giving rise to several operational deficiencies as noted in Issues 7, 8, 9 and 10 of this report.

Without a clear corporate strategy and a medium/long-term plan, the Centre lacks strategic direction, which increases the risk that resources may not be used effectively and efficiently.

Priority	High (Critical)
Recommendation 2: Perform a detailed analysis of the Centre's ability to deliver within the existing context and use the analysis to determine the Centre's mandate, mission, role and optimal location. **Responsible HQ division:** Director, Policy Division	
Management action plan: The Policy Division will work closely with the Centre to provide the analysis requested by 1 July 2014. Based on this analysis, and on anticipated funding available to the Centre in 2015, a determination regarding the Centre's mandate, mission, role and optimal location will be made in consultation with the Policy and the Programme Divisions , by the end of December 2014. **Estimated completion date:** December 2014	

Priority	High (Critical)
Recommendation 3: Develop a medium/long-term plan for achieving the Centre's mandate, as redefined, which identifies major milestones, clearly defined deliverables and the infrastructure necessary to ensure sustainable operations. **Responsible HQ division:** UN Women Training Centre	
Management action plan: Management agreed to develop a medium/long-term plan once guidance is received from UN Women Headquarters on their vision for the Centre, as recommended in Recommendation 1. **Estimated completion date:** After December 2014	

3. Risk management

Issue 3   Inadequate funding to sustain operations

The ability to secure non-core funds is critical to the Centre in order to sustain its training activities and operations. At the corporate level, UN Women released a strategy for resource mobilization that emphasized the need to deepen and broaden the donor base in order to secure the required resources for its work. Like Country Offices, the Centre was expected to mobilize non-core funds from donors at the duty station for programmatic activities.

Following the roll-out of the Centre, the donor relations function that had been part of UN-INSTRAW in the Country was centralized at UN Women Headquarters. This was due to the fact that the Centre, which is part of the UN Women Policy Division, is an out-posted Headquarters unit. Nonetheless, the Centre had included resource mobilization responsibilities in the 2012-2013 biennial and 2014 Annual Work Plans. According to its Annual Work Plan, the Centre, as a key partner in this activity, was counting on support from the Headquarters Resource Mobilization Unit. However, the Unit's involvement focused primarily on assisting the Centre in managing its relationship with the former UN-INSTRAW donor. More recently, the Unit focused on a donor, which at the time of the audit, had not yet committed to funding for the Centre. On the other hand, the Centre did not have the human and budgeted resources to mobilize funds on its own.

In its Annual Work Plan for 2012-2013, the Centre indicated that its major outputs/deliverables for the two years would require total funding of $3.94 million, comprised of $1.34 in core funds and $2.6 million in non-core funds. However, there was a significant shortfall in the amounts available to the Centre, due to the following:

- Actual core funds that totalled $0.64 million that was re-phased from the previous year's unused UN Women core budget, and 2013 core allocations of $0.4 million, which resulted in an unfunded gap of $0.3 million or 22 percent of the total core funds required.

- The non-core funds were to be raised partially through $1.5 million re-phased from the former UN-INSTRAW project funds and $1.1 million from various partners. However, the Centre received only $0.5 million of the $1.5 million amount because the transferred funds had been frozen for reconciliation and determination of what amounts would be available to the Centre. This, coupled with the fact that no additional funds were raised, resulted in a funding gap of $2.1 million, or 81 percent of the amount needed.

In February 2014, a consultant drafted a resource mobilization strategy which contained a list of possible sources (on a global level) from which management could solicit funds for carrying out Centre activities. The strategy contained a range of ideas that had to be further developed and tailored to the Centre, while suggesting the Centre rely on core funding for at least the first three years. The resource mobilization plan, which was to be derived from the draft strategy, had not been developed.

Since donors in programme countries are generally focused on funding country-specific development assistance, any resource mobilization activity conducted by the Centre on a global scale would require conveying key information and meeting with donors away from the duty station. OAI noted that the Centre did not have the budget to undertake such efforts.

Without adequate funding, the Centre is at risk of not being able to sustain its operations. In addition, there is a risk that UN Women may not be able to meets its global mandate.

Priority	High (Critical)

Recommendation 4:
 	
 Maintain adequate funding for the Centre's resource mobilization activities by:
 	
   (a) finalizing, approving and implementing a resource mobilization strategy and a related plan to guide the Centre's resource mobilization efforts; and
   (b) providing training to management on how to make resource mobilization a sustainable activity.
 	
 Responsible HQ division: Policy Division	

| **Management action plan:**

 The Policy Division will work closely with the Centre and in consultation with the Resource Mobilization Unit to finalize, approve and implement a resource mobilization strategy for the Centre by 1 July 2014. The Policy Division will also consult with the Division of Management and Administration and the Resource Mobilization Unit on the provision of training to management, and on how to make resource mobilization a sustainable activity.

 Estimated completion date: August 2014 ||

B.   Strategic framework for the Centre

1.   Training needs, demand and delivery mechanisms

Issue 4   <u>Inadequate approach to establishing training needs, demand and delivery mechanisms</u>

OAI observed the following:

- <u>Delivery mechanism</u> - The Centre identified some constraints related to its physical location, such as the increased time and costs associated with travel to the Centre, the limited classroom capacity at the facility, and the limited number of staff available to conduct training. Based on the identified constraints, the Centre determined that the training courses developed would use a self-paced, on-line delivery modality. In support of this decision, the Centre's 2012-2013 Annual Work Plan included collaboration with the Headquarters Information Systems and Telecommunication Office to establish a virtual campus by the third quarter of 2012. However, as of March 2014, no decision had been taken as to which platform would be used, who would host it, or how it would be funded. Moreover, the Centre's training specialists, partners and donors informed OAI that for some gender-related topics and desired learning outcomes, on-line learning formats may not have been the most effective tool. Furthermore, some audiences did not have access to the appropriate technology or sufficient technological knowledge to take advantage of the on-line courses. In recognition of this, the Centre indicated that some courses were being restructured as "train the trainers" courses, or as "blended courses" (which combine on-line self-paced modules with either on-line moderated modules or some face-to-face presentations). While both of these approaches may have been more

effective, this restructuring had not been formalized, nor had the associated resources required been determined or allocated.

▪ <u>Assessment of training needs and demand</u> - In August 2012, the Centre developed and administered a survey of the then 16 Sub-regional UN Women offices, which resulted in 13 responses. The survey had two main objectives – to identify existing training products developed by the Sub-regional offices, and establish the training needs of, and demand for three target audience groups: UN Women staff, United Nations Common System staff, and stakeholders, such as governments and civil society organizations. However, OAI found the survey to be inadequate in meeting the stated objectives, given the following:

  o It lacked a representative sample of the population, as it included a small number of individuals from only one of the three targeted audience groups (UN Women staff), and no representation of either the United Nations Common System or stakeholders.
  o It was biased in that it showed the need for training in all areas listed without the option of indicating "not applicable", or "not needed", and there was no opportunity to give equal priority to multiple training areas. In their comments, management indicated that the survey was sufficiently flexible for respondents to make comments in an open-ended response box. However, the survey instructions did not indicate that the respondent could omit ranking a course, or that the comment box provided could be used to indicate an equally high level of need for training in more than one area.
  o It did not ask questions to identify demand – the Centre assumed demand was equal to the need identified, which may result in the development of courses for which there is no interest.
  o It did not include questions to stakeholders and civil society organizations regarding their overall interest in training, their preferred method for receiving training, or access to technology.

The Centre indicated that this survey approach was used because establishing demand for such a wide audience (governments, civil society organizations and the United Nations System) was difficult and also risky in terms of creating expectations to which the Centre could not respond. However, this had resulted in the development of courses for which the demand and achievement of learning outcomes were not certain. Moreover, there was no process to periodically gauge the needs of the target audience groups, including the needs of the UN Women offices, which significantly increased in number following the implementation of the UN Women Regional Architecture in 2013. In response to the audit report, management indicated that with greater financial and human resources, subsequent training needs assessments can be broadened to reach other audiences. Also, although management stated that the assessment was not intended to be a one-time review and that such assessments were to evolve and be repeated over time, no action had been taken to incorporate the intended amendments to the assessment.

An inadequate approach to establishing training needs, demand and delivery mechanisms may increase the risk of ineffective use of resources and reputational damage to UN Women, due to the inability of meeting the needs of all targeted stakeholders.

Priority	Medium (Important)

Recommendation 5:
 	
Redesign the approach used to establish training needs, demand and delivery mechanisms by:
 	
   (a) developing and implementing a data collection method for determining training needs and demand for each group within the targeted audience, which could be updated to assess changing demands and priorities; and
   (b) finalize the training delivery mechanisms based on new training needs and demands which include using different delivery mechanisms.
 	
Responsible HQ division: UN Women Training Centre	

Management action plan: Management intends to develop an interim strategy with regard to data collection methods and training mechanisms, while a full strategy is developed. **Estimated completion date:** August 2014	

2. Monitoring and reporting

Issue 5   Lack of results management, monitoring and reporting

The 'Internal Control Framework' states that the Centre is responsible for ensuring effective management and use of resources. The Framework further states that the Centre must ensure that an effective monitoring system is in place to provide assurance that the Centre is making progress on its Annual Work Plans, including monthly meetings with key personnel to review the status of work plans and budgets.

The Centre had not implemented a process to manage, track and report on the status of activities and expenditures for training development projects or training delivery activities. OAI noted the following:

- The Centre had combined several training development projects into one project in the Annual Work Plan, with one combined budget allocation and one project code assigned in Atlas, making it difficult to determine progress made on individual deliverables and the sufficiency of resources required for completing activities.

- Annual Work Plans for training development projects did not include baselines, key performance indicators, outputs or deliverables, to allow measurement of results.

- The Centre had no defined process for monitoring and reporting on training development activities. Training specialists indicated that *ad hoc* meetings were held to discuss project status. In response to the draft report, management indicated that ideally, the Centre should use the corporate systems, however, the Programme and Planning Guidance Unit was reviewing its existing system and capacities in results-based management including on-line systems to systematically monitor and capture results and programmatic information and data.

- The 2012-2013 Annual Work Plan did not include metrics regarding the number of training activities to be delivered, or the targeted number of participants, which made it difficult to determine if the results were adequate relative to the resources utilized by the Centre. During the review period, the Centre co-sponsored, presented or provided the course materials for 10 courses, which included some face-to-face instruction. The total number of participants was 465, comprised of individuals from each of the three target audience groups. The Centre also distributed 485 manuals for the "Gender Migration" course over the period, and updated the existing course on "Implementation of Security Council Resolution 1325 on Women, Peace and Security in Africa and Latin America" and developed the course module for Asia. The course was completed in 2013. However, the number of participants completing the course through December 2013 was unavailable as it was licensed to the Peace Operations Training Institute (POTI), and offered on its on-line platform. Furthermore, the contract did not require the institute to report on such data until March 2015. This level of delivery was low due in part to the unavailability of funds, as indicated in Issue 3, which contributed to the Centre's inability to complete several of the activities included in its Annual Work Plan.

The lack of specific budgets, measurable outputs and monitoring and reporting processes increase the risk of poor management of training activities and inefficient utilization of UN Women resources. Also, the absence of monitoring and reporting processes for deliverables may result in inaccurate record keeping.

Priority	High (Critical)

Recommendation 6:

Improve the management, monitoring and reporting of training activities by:

    (a) developing budgets and Annual Work Plans which delineate individual activities/projects, with clear and measurable outputs and outcomes;
    (b) assigning a unique code in Atlas for each training activity;
    (c) developing a facilitated training schedule and budget;
    (d) implementing a process for monitoring the progress of each Atlas project, including preparation of regular reports for management review that indicate the status of training development compared with the planned status and comparisons of expenditures versus budgets; and
    (e) implementing a mechanism to track and report on course delivery and participation against planned metrics.

Responsible HQ division: UN Women Training Centre

Management action plan:

Management indicated that on the basis of the budget templates, the Centre will prepare separate budgets for each training activity and a separate Atlas project code for each course development project to facilitate tracking and reporting on course development and delivery. Management plans to develop a facilitated training schedule and budget based on the availability of funds. Additionally, along with the Policy Division, management will initiate a dialogue with the Programme and Planning Guidance Unit to develop a strategy for monitoring progress on each Atlas project.

Estimated completion date: August 2014

3. Training design and curriculum development

Issue 6 Inadequate training development, project definition and management

The UN Women 'Programme and Operations Manual' requirements for Results Based Management include development of clear milestones, and measurable outputs for projects. Further, the 'Internal Control Framework' states that the Centre is responsible for: (a) ensuring that the projects produce the results (outputs) specified in the project document; (b) regular monitoring of project activities; (c) preparing contract terms of reference with clear deliverables and timelines; and (d) ensuring the timely operational and financial closure of projects.

Several training development projects lacked documentation to define the specific objectives, deliverables, schedules and budgets. This resulted in development projects for which the deliverables had changed or evolved, and a lack of clarity as to which deliverables would trigger operational closure and difficulty in determining performance. Review of the course project files and discussions with training development staff showed that while significant milestones may have been reached during 2012, development was ongoing at the time of the audit. For example, in some cases, the course had been developed as manual or face-to-face training and was now being redesigned as an on-line self-paced or on-line moderated course, although no documentation existed to indicate the substantial change in design.

OAI noted several deficiencies related to the management of development projects. OAI was provided with templates for a course/project document, concept notes and budgets, however, all were still in draft form. No documentation was identified regarding an overall schedule delineating the milestones and major activities and their corresponding timing. Further, while the terms of reference for consultants included a final end date for contract completion, the timing for completing individual deliverables was not always clear.

The Centre's 2012-2013 Annual Work Plan included 15 course/training development projects, 6 of which were part of a phase-out plan for projects under the former UN-INSTRAW and which were to be completed by December 2012. However, only 1 had been completed by December 2012, 1 had been completed in 2013, and 4 had not been finalized at the time of the audit. Of the remaining 9 courses, 1 was ready for roll-out in April 2014, 3 had been delivered at least once, and 5 remained under development at the time of the audit.

In their response to the audit report, management indicated that the development of training courses had been a learning process which the Centre had been able to refine over the course of its first two years (2012-2013) of operations within UN Women and that the Centre had a better idea on the time required for developing courses according to the different target audiences and formats. Moreover, management indicated that only two technical staff were available to achieve its training objectives. While OAI acknowledged the complexity of the process, there is still a risk that inadequate documentation of outputs, deliverables, consultants' terms of reference, and that timing and the cost of projects would hinder accountability and control, as project managers do not have accurate and relevant information to assess the progress and support decision-making.

Priority	Medium (Important)

Recommendation 7:

Improve controls over and accountability for projects/activities by:

  (a) finalizing the draft templates for the course/project document, concept notes and budgets, and requiring that each be completed before project approval;
  (b) developing a project activity schedule template for each course/project;
  (c) ensuring that the project documents clearly define the project objectives, outputs, deliverables and schedules prior to implementation;
  (d) ensuring all terms of reference and contracts are reviewed by management for completeness and clarity of deliverables and timing prior to issuance; and
  (e) implementing a formal process for amending and closing projects.

Responsible HQ division: UN Women Training Centre

Management action plan:

Management indicated that a comprehensive 'Development and Implementation of Training Courses Manual' is under development and will improve controls over and accountability for projects/activities. In addition, the course/project document templates have been finalized and include project objectives, outputs, deliverables, and schedules. The templates have been circulated and more realistic timeframes have been developed for different target audiences and formats. The Centre will also ensure that terms of reference and contracts are reviewed by management and a formal process for amending and closing projects will be implemented.

Estimated completion date: June 2014

C.   Operations

1.   Financial resources management

Issue 7   Ineffective budgeting process

The 'Programme and Operations Manual' states that UN Women follows a results-based budgeting approach that focuses on aligning resources behind results. It requires a system of budgeting that links each increase in budget resource to a specific change in expected outputs and outcomes. Budgets should therefore correspond with the Annual Work Plan in order to facilitate financial monitoring.

There was an inadequate level of detail in the Annual Work Plan between the activities budgeted for and the funds required to complete the training activities. There were incidences of insufficient and inefficient budgeting for outputs in the Annual Work Plan. This led to the partial completion of courses.

OAI reviewed 24 Annual Work Plan outputs under various stages of development since the Centre's formation, of which 11 (46 percent) did not have budgets. Moreover, the Centre was budgeting its activities based on its legacy funding from UN-INSTRAW. As a result, the budgets for the Centre were unrealistic and the resources needed to deliver the Centre's results were unknown.

Ineffective budgeting processes increase the risk that the Centre will be unable to achieve Annual Work Plan outputs and outcomes.

Priority	High (Critical)
Recommendation 8: Standardize the course development budgeting process to ensure that realistic budget estimates are developed for each of the Annual Work Plan outputs. **Responsible HQ division:** UN Women Training Centre	
Management action plan: Management indicated that after a lengthy learning process that took place in 2012-2013, the Centre was in a better position to estimate costs for the development of courses according to the format and target audience. As a result, the 2014 Annual Work Plan budget was more realistic and based on the funds required to implement the activities. **Estimated completion date:** December 2014	

Issue 8   Poor utilization of available financial resources

According to UN Women's 'Programme and Operations Manual', financial management practices require prudent utilization of resources in the organization to deliver value to the organization's stakeholders, which includes using the hospitality budget to facilitate external networking activities that serve the interest of UN Women and the larger UN community, recovering organization funds used by staff for personal reasons, and cost recovery from other United Nations agencies for payments made on their behalf.

 OAI noted the following deficiencies:

(a) The Centre charged some expenses as hospitality expenses contrary to UN Women's 'Programme and Operations Manual' on hospitality and gifts. These expenses included:

- payments related to a peer review of the UN Women e-learning training course on "Women, Peace and Security for Asia and the Pacific" ($3,261) that was held in Bangkok, Thailand on 22 and 23 January 2013 (this amount was comprised of accommodation expenses of $1,140 and conference services of $2,121); and

- payments for a workshop on "Results-Based Management for UN Women Latin American and the Caribbean" ($2,521) that was held in Santo Domingo from 25 to 27 September 2013 (this workshop was listed as one of the Annual Work Plan outputs undertaken by the Centre in 2013 and did not represent a hospitality event).

(b) OAI reviewed telecommunication expenses including mobile and land line bills and noted:

- The Centre's staff did not review and sign the monthly bills related to mobile phone usage, including personal use, which was in contravention of the UN Women 'Programme and Operations Manual' guideline on UN Women iPhone and iPad use, which states, *inter alia*, that staff should consider using less expensive means of communication, be responsible for expenditures incurred for all non-official calls and sign-off on invoices related to their phone use each month. OAI noted instances where the use of cell phones and related mobile devices exceeded reasonable levels, as shown in the table below.

Table 1 - Use of cell phones and related mobile devices

Month	Sept 2013	Oct 2013	Nov 2013	Dec 2013
Number of subscribers	14	14	14	14
Total spent by all subscribers	**$4,767**	**$3,799**	**$10,122**	**$1,775**
Staff with the highest spent				
Staff 1	n/a	$1,651	$6,415	$347
Staff 2	n/a	$669	$2,974	$684
Staff 3	$3,906[1]	n/a	n/a	n/a
Total incurred by 1 to 2 subscribers	**$3,906**	**$2,320**	**$9,389**	**$1,031**
Percentage to total spent vs. total incurred by 1 to 2 subscribers	**82%**	**61%**	**93%**	**58%**

- Delays in recovering funds due from a United Nations organization - The Centre had contracted for additional mobile and landlines on behalf of a United Nations organization when its staff temporarily relocated to the Country. OAI extended its review to cover telecommunication expenses from January 2011 to January 2014 and noted that the Centre had been paying the telecommunication bills on behalf of a United Nations organization. There were delays in recovering the funds, which led to occasional cash flow challenges, whereby the Centre was unable to pay the telecommunication service providers when the bills were due. During the audit mission, the Centre followed up on the telecommunication payments, totalling $10,744 due from another United Nations entity from July 2013 to January 2014, but the amount remained outstanding. In addition, the Centre had never recovered the processing fees associated with the telecommunication payments, which are charged by the UNDP Office in the Country. These fees were incurred by the Centre when it requested UNDP to make payments for telecommunication services and when it received reimbursements from the United Nations organization.

Poor utilization of available financial resources and non-recovery of amounts advanced, increase the risk of liquidity and cash flow challenges, which could negatively impact the reputation of UN Women.

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[1] These amounts include the Country's government taxes at 30 percent (CDT at 2 percent, ITBIS at 18 percent and ISC at 10 percent). These amounts were obtained from the mobile phone bills as provided by the service provider. The mobile bills were quoted in Dominican pesos and translated as follows: One United States dollar to 42.60 Dominican pesos.

Priority	High (Critical)

Recommendation 9:

Comply with the 'Programme and Operations Manual' on utilization of resources by:

    (a) informing staff on the rules, policies and procedures for the proper use of hospitality funds, cell phones and related mobile devices;
    (b) recovering amounts attributable to the personal use of cell phones and other devices from staff;
    (c) re-examining the existing telecommunication services contract on behalf of another United Nations organization; and
    (d) performing a full reconciliation of outstanding amounts due from the other United Nations organization, which should include processing fees incurred.

Responsible HQ division: UN Women Training Centre

Management action plan:

(a)   On 22 May, management issued a communication to all staff reminding them about the terms of the "UN Women Official PDAs and Cellphone Policy" and specifically outlining the rules on the use of cellphones and mobile devices, emphasizing the need to reduce roaming charges. Also, the communication includes guidelines for reducing costs by connecting to WiFi and other less expensive means. Also, a practice of circulating phone bills to relevant staff members for identification/certification of official calls has been instituted. However, management disagreed that they had control over charging expenditures to hospitality funds, due to their perception of the use of the UN Women procurement catalogues in Atlas.

(b)   Management indicated that costs of all personal calls were being recovered by the Centre. Also, management stated that two of the staff were on official mission for the entire period that the charges were incurred and therefore, charges were authorized by management, and one was on combined mission and leave, and, therefore, the personal element was refunded.

(c) & (d) Management has reviewed its contracts for telecommunications services with a view towards reducing costs, and the Centre no longer manages the telecommunications contracts for the United Nations organization. A full reconciliation of outstanding amounts due has been completed and communicated to the United Nations organization.

Estimated completion date: Completed

OAI response:

OAI noted management comments relating to the use of the UN Women procurement catalogues and reiterates that the Centre should communicate accordingly with the UN Women Procurement Section to obtain advice on to how to correctly use the system and to make relevant amendments where necessary.

On the other parts of the recommendation, OAI acknowledges the actions taken by management; these will be reviewed at a later stage as part of the standard desk follow-up process of OAI.

2. Human resources

Issue 9   Non-compliance with human resources policies and procedures

Elements of UN Women's 'Internal Control Framework' include human resources policies and an organizational mandate to fully comply with them. Such controls set the tone for the organization and are intended to create expectations of conduct among personnel.

OAI identified several instances where the internal controls for managing human resources had not been followed by the Centre's management.

- The Centre allowed two staff members to begin working without receiving medical clearance from the United Nations Medical Unit, which is a prerequisite for receiving a Letter of Appointment. Also, staff must have a Letter of Appointment prior to taking up the duties of their post. Management indicated that it had allowed the individuals selected for posts to begin working without the Letter of Appointment and medical clearance because it thought that the clearance would be granted, and it was necessary for staff to begin working as soon as possible.

- The Centre engaged a volunteer who did not meet the UN Women criteria for engaging volunteers. The volunteer was allowed to work at the Centre following a short-term contractual engagement, but the Centre did not provide a valid explanation of why it had decided to allow the volunteer to work.

- The Centre engaged an intern who did not meet the criteria for UN Women internships. Only students pursuing a graduate degree while serving as interns qualify. Management explained in their response to the draft report that the United Nations Secretariat internship guidelines, which were more flexible, were followed. As a result, the Centre was unaware of the UN Women internship guidelines, which state that interns must be pursuing graduate studies.

Failure to comply with human resource polices results in potential risks that the Centre may not able to adequately mitigate, and may result in the hiring of unqualified personnel.

Priority	Medium (Important)
Recommendation 10: Comply with human resources policies and procedures by: (a) ensuring that staff members obtain a Letter of Appointment and medical clearance before they begin working; (b) engaging only those volunteers who meet existing UN Women criteria; and (c) engaging interns who meet the UN Women internship guidelines. **Responsible HQ division:** UN Women Training Centre	
Management action plan: Management indicated that for the most recent recruitment cases, the selected candidates have received medical clearance.	

Estimated completion date: Completed

OAI Response: OAI acknowledges the action taken by management; this will be reviewed at a later stage as part of the standard desk follow-up process of OAI.

3. Safety and security

Issue 10   Absence of a Business Continuity Plan

The UN Women 'Programme and the Operations Manual' requires that all UN Women offices located outside of Headquarters be able to continue critical processes during and after major events that could limit the operations of an office, such as prolonged power outages, natural disasters and terrorist attacks.

Although the Centre is located on an island prone to earthquakes and hurricanes, it had not yet developed a Business Continuity Plan, as required. Instead, the Centre had developed draft procedures on how to work remotely in case of an emergency. Although the draft procedures provided guidance on working remotely, they did not include an information technology risk assessment of the Centre.

The absence of a Business Continuity Plan poses a risk to the Centre in that it would be unable to safeguard its staff, as well as critical information and physical assets, in case of an emergency.

Priority	High (Critical)
Recommendation 11: Develop, approve and implement a Business Continuity Plan and ensure it is adequately tested. **Responsible HQ division:** UN Women Training Centre	
Management action plan: Management is finalizing the development of a Business Continuity Plan on the basis of templates available on the UN Women intranet and, once finalized, it will be tested. **Estimated completion date:** July 2014	

Definitions of audit terms - ratings and priorities

A.   AUDIT RATINGS

- **Satisfactory**   Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity.

- **Partially Satisfactory**   Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity.

- **Unsatisfactory**   Internal controls, governance and risk management processes were either not established or not functioning well. The issues were such that the achievement of the overall objectives of the audited entity could be seriously compromised.

B.   PRIORITIES OF AUDIT RECOMMENDATIONS

- **High (Critical)**   Prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women.

- **Medium (Important)**   Action is required to ensure that UN Women is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UN Women.

- **Low**   Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.