

## *Advancing Democracy Worldwide: IRI's Operational Capacity*

For more than 30 years, the International Republican Institute (IRI) has worked in challenging environments, offering programmatic operational support in emerging democracies, as well as closed, post-conflict and transitioning political situations.

Within the framework of democracy development, IRI has implemented political party, youth, gender equality, information communication technology, polling, civil society, election monitoring, and voter education programs. In all, activities have been conducted in more than 80 countries with integrated programmatic and operational components. IRI attributes its success to:

- Talented, passionate, and professional staff;
- Sound financial management and accountability;
- Comprehensive support to IRI's partners;
- Effective grants management and compliance;
- Procurement integrity;
- Modern information technologies; and,
- Commitment to program integration.

The mission of the program support team is carried out through the work of five primary units:

### **Human Resources**

IRI believes that people are at the core of all that it does, hence IRI makes a concerted effort to attract, retain and optimally use talent. The Human Resources team closely engages with IRI management to effectively identify and manage talent at all levels, including providing opportunities for professional development. IRI is committed to complying with U.S. and local labor laws of each country in which it operates, and to high standards of ethical, moral and legal business conduct. To safeguard these, IRI has a Whistleblower Policy in place and has instituted a hotline and web interface for reporting violations world-wide. IRI currently maintains 32 field offices and employs over 385 people worldwide.

### **Accounting**

*International Unit:* IRI maintains a dedicated international unit at headquarters to ensure funds are expended and documented in compliance with donor and IRI regulations. IRI implements ongoing accounting process and software reviews of its field offices. These reviews improve efficiencies with local accounting processes in areas such as currency exchange; expedited electronic consolidation of financial data; multi-currency accounting and financial reporting; greater use of online banking; less use of cash; greater emphasis of internal controls in field; and enhanced software features such as bank reconciliations, financial reporting, and local time tracking. IRI also recently transitioned its paper field accounting imprest to SharePoint, resulting in savings to programs on shipping costs.

*Accounting System and Financial Reporting:* IRI uses Deltek's web-based Costpoint version 7 software, a world-class financial management platform built to meet the unique requirements of project-driven organizations. IRI currently has over 200 active projects with precise project cost tracking for worldwide consolidated operations. As a supplement to Costpoint, IRI uses IBM Cognos 10 for enhanced reporting capacity and analysis. IRI maintains its accounting records in

electronic libraries in SharePoint, improving staff efficiencies and providing for savings in storage fees.

*Annual Audit:* For over 30 years, IRI has consistency received A-133 unqualified or “clean” audit report opinions with no audit findings from distinguished CPA firms such as BDO and RSM/McGladrey. IRI’s attention to detail and strong commitment to compliance has earned IRI respect from auditors, partners, and funders as reliable stewards of public and private funding.

*Internal Audit:* IRI accounting and compliance team members provide ongoing support, training, and mentorship to both program staff and overseas finance staff. IRI conducts regular internal financial and compliance reviews and external audits of programs based on constant monitoring of the financial capacity and risk levels of individual programs and local environment.

### **Grants, Compliance, and Policies**

IRI directly managed grant fund expenditures in excess \$340 million over the past five years. IRI’s diversified funding portfolio includes the U.S. State Department; U.S. Agency for International Development; the National Endowment of Democracy; Canada’s DFATD/Global Affairs Canada; and a number of non-USG funders including European foundations, aid agencies, and the United Nations. Through the Consortium for Elections and Political Process Strengthening (CEPPS) – a partnership of IRI, the National Democratic Institute (NDI) and International Foundation for Electoral Systems (IFES) – IRI has effectively maintained financial accountability of \$710 million in grant funding to CEPPS during the past six years. In fiscal year 2016, IRI is projected to administer \$150 million in grant funding directly and through CEPPS. To build capacity of its staff, IRI provides monthly internal training sessions and attends numerous continuing professional education programs led by *InsideNGO*, BDO, McGladrey, SustainAbility Solutions, and *Financial NGO Newsletter*. The topics include the Negotiated Indirect Cost Rate Agreement (NICRA), the new Uniform Guidance (2CFR200), and FASB proposed changes to NPO reporting. These important programs and updates are instrumental in IRI updating its internal policies and procedures to meet the reporting and compliance demands of a changing landscape.

### **Subawards, Contracts, and Procurement**

*Subawards and Monitoring:* IRI promotes democratic institution building in part by strengthening local partner capacity through the issuance of subgrants. As of March 2016, IRI managed 117 active sub-awards totaling over \$12.5 million administered consistent with funder requirements and principles. IRI established a transparent, demand-driven process to disperse funding to local partners, and to provide guidance to sub-recipients on fund management and financial reporting. Throughout the sub-award, the IRI Subawards Administration staff provides comprehensive support to program staff and in-country partners. IRI Subawards Administration staff closely monitor financial performance of sub-recipients and offer online or in-person technical assistance when necessary.

*Contracts and Procurement:* IRI promotes fair and open competition to offer best investment results in its programs. IRI procurement staff strive to respond to programmatic needs efficiently while maintaining compliance with funder regulations. Supported by procurement specialists, programs competitively bid to procure equipment and outside expertise for project implementation. IRI’s procurement staff conduct ongoing trainings of IRI personnel and local

partners on procurement matters. IRI procurement staff also attend regular trainings and conferences to stay current with funder policies, industry standards and innovations.

### **Information Technology and Knowledge Management Support**

IRI's IT Department advances democracy by providing IRI staff with the technology and information management tools and solutions necessary to support the operations of IRI. The IRI IT Department has been recognized as an industry leader by *InsideNGO* for its "Operational Excellence" and was the recipient of the *Speech Technology Magazine* Implementation Award.

The Washington, DC based team built out the infrastructure for IRI's 32 field offices. The Technology Team negotiates contracts with technology and telecommunication service providers both in DC and our field offices, and provides direct remote support to staff daily. IRI's team also trains IRI's staff and partners on such topics as digital security, effective use of multimedia, project management, knowledge management, data governance and data architecture.

IRI's Technology Team supporting operational and programmatic aspects of over 30 international election observation missions. IRI has also partnered with technology firms to test or adapt programs to democracy and governance work, leveraging this experience for about \$1.9 million in in-kind technology and software donations to advance the Institute's mission.

The Technology Team has completely renovated the audio/visual capabilities in the IRI headquarters' Events Center, a venue for IRI to host both private and public events for a physical audience of up to 200 individuals. In addition, events can be broadcast in real-time over the Internet to reach a limitless number of participants, and has recording capabilities for an "on demand" viewing experience.

To further the Technology Team's capacity for assisting IRI's programs, the team has added an ICT Program Specialist to its ranks. This position serves as a technical point of contact to program staff by assisting them in developing innovative approaches to their programmatic activities. Strategies include the integration of technology into democracy programs, partnerships within the technology community, and identifying new resources.