



**1 person forced to flee is too many.**

**UNHCR's Finance and Budget**


**Ms. Kumiko Matsuura-Mueller**  
Controller and Director  
Division of Financial and Administrative Management (DFAM)

**Ms. Linda Ryan**  
Deputy Director (Budget), DFAM

**Ms. Fatima Sherif-Nor**  
Head of IPMS, DFAM

**Briefing on UNHCR**  
18 February 2015


**Agenda**

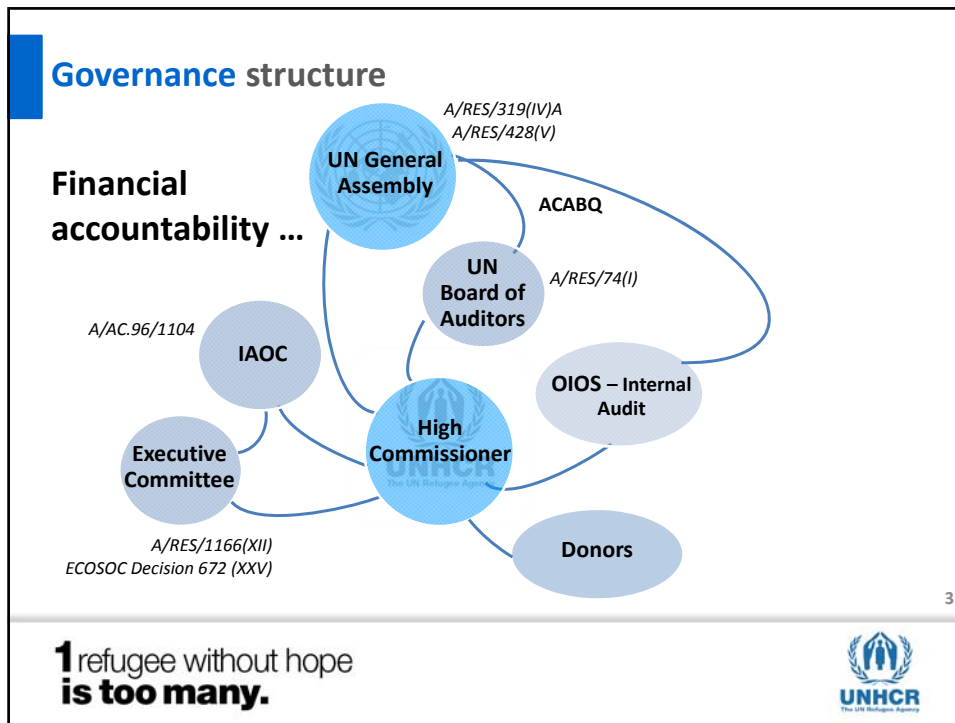


- Governance structure**
- General financial environment**
- Background IPSAS**
- Financial reporting**
- Budget**
- Funding gap**
- Implementing partnerships**

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- ### Governance structure
- HC reports annually:
      - ❖ on programme activities to the 3rd Committee of the General Assembly
      - ❖ on financial statements to the 5th Committee of the General Assembly
  - UN BoA was established by GA in 1946 to audit the accounts of UN
    - UNHCR’s current external auditor is the National Audit Office of UK for a six-year term until 30 June 2016
    - UN Financial Regulations require that the UN BoA transmits the Board report (on their findings and recommendations) together with the audited financial statements to the GA (3rd Committee) through ACABQ
    - Single audit principle allows only the UN BoA to externally audit UNHCR activities (this is not applicable to audit of Implementing Partners by external auditors)
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## Governance structure

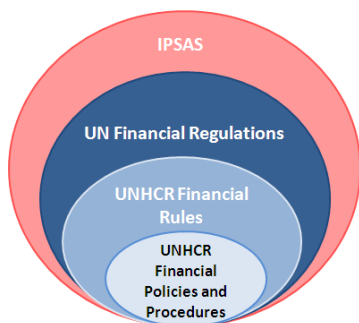
- EXCOM** • ExCom was established by ECOSOC in 1958 and its annual report is attached to the High Commissioner’s annual report to the GA
- OIOS** • OIOS was established in 1994, under General Assembly resolution 48/218B of 29 July 1994. It reports to GA annually through a report covering 1 July to 30 June activities, where a status of recommendations is presented
- IAOC** • IAOC was established by Standing Committee in 2011 and assumed its functions in June 2012

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## General financial environment



- IPSAS:** financial statements prepared in accordance with IPSAS
- UN Financial Regulations:** approved by GA (ST/SGB/2013/4)
- UNHCR Financial Rules:** promulgated by HC, approved by ExCom (A/AC.96/503/Rev.10). Based on the provisions of UN Financial Regulations. Where no specific provision is made in UNHCR’s Financial Rules, UN Financial Regulations and Rules apply.
- UNHCR Financial Policies and Procedures:** Controller develops financial policies and guidance

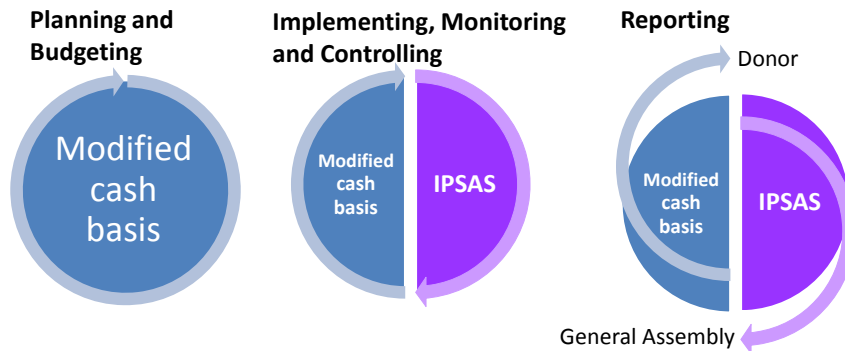
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## Background IPSAS

### Accrual-based accounting



Preparation and presentation of the budget remains on cash basis

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## Financial reporting

### Key documents issued by DFAM:

- **Financial Statements (to GA)**
- **Financial report and audited financial statements:**
  - (1) Key issues and measures taken in response to BoA report;
  - (2) Follow-up to the recommendations of the BoA on the accounts of previous years;
  - (3) BoA Matrices of actions taken by UNHCR to address the recommendations.
- **Programme Budget:**
  - (1) Biennial programme budget;
  - (2) Updates on programme budgets and funding.

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## Financial reporting

### Schedule of governance meetings in relation to finance

Governance Meetings		Content
Standing Committee (SC)	March	<ul style="list-style-type: none"> <li>Update on programme budgets and funding</li> <li>Follow-up to the recommendations of the BoA on the accounts of previous years</li> </ul>
	July	<ul style="list-style-type: none"> <li>Update on programme budgets and funding</li> <li>Global Report (annual reporting on the outcomes of activities in the previous year)</li> </ul>
	September	<ul style="list-style-type: none"> <li>Update on programme budgets and funding</li> <li>Biennial programme budget</li> <li>Accounts for the previous year as contained in the report by BoA to GA</li> <li>Key issues and measures taken in response to BoA report</li> <li>Report on Internal Audit</li> <li>Report of IAOC</li> </ul>
Executive Committee	October	<ul style="list-style-type: none"> <li>Consideration of reports of SC regarding programme budgets, management, financial control and administrative oversight</li> <li>Consideration and adoption of the biennial programme budget</li> </ul>
ICMs	During the year	<ul style="list-style-type: none"> <li>Informal Consultative Meetings on financial issues as requested by ExCom or proposed by UNHCR</li> </ul>

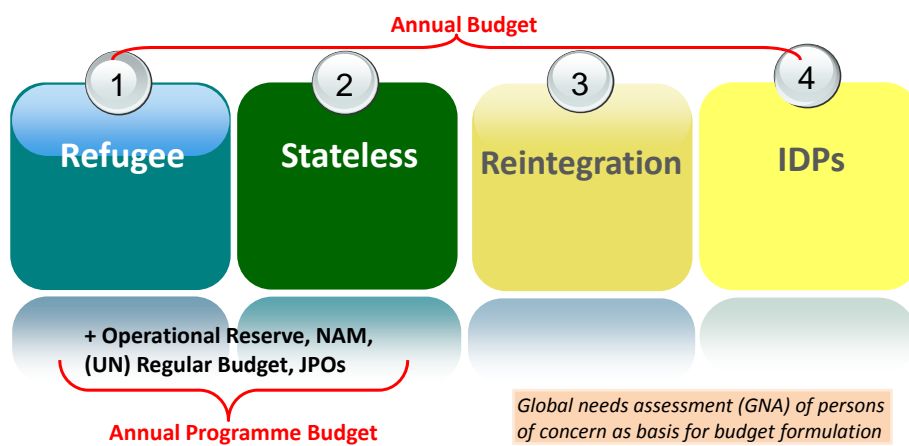
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## Budget

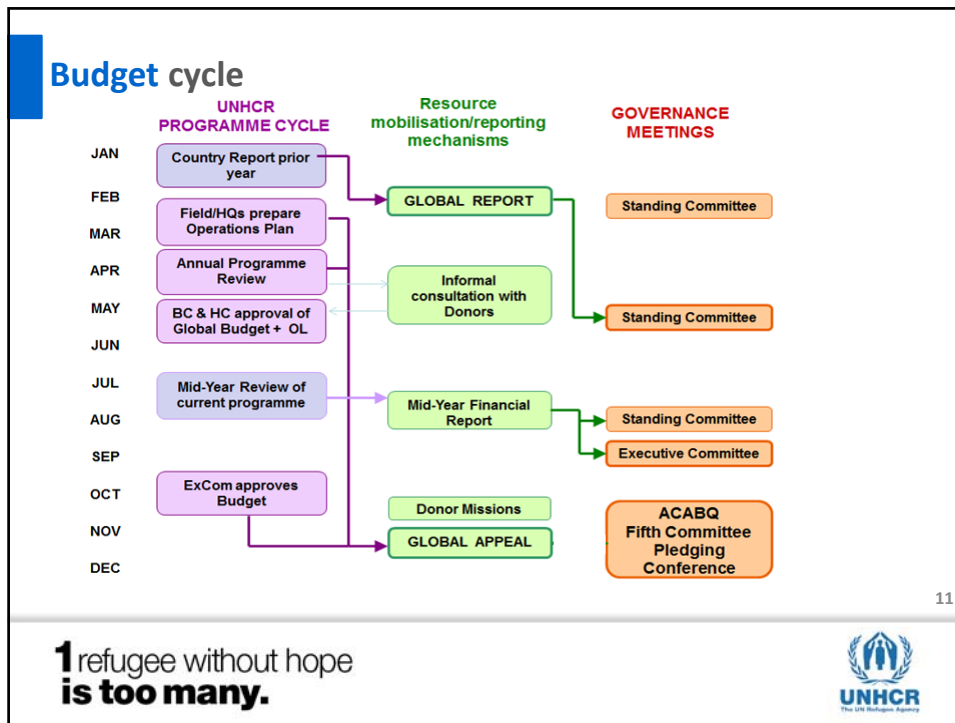
### Pillar-based GNA Budget Structure



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### Budget, cont.

**BIENNIAL PROGRAMME BUDGET 2014 – 2015 (revised)**  
(in millions of USD)

	2014	2015
Field	5,406.7	5,218.9
Global Programmes	248.9	297.2
Headquarters	210.1	225.9
Programme Activities	5,865.7	5,742.0
Reserves, JPO	370.5	492.4
<b>Total</b>	<b>6,236.2</b>	<b>6,234.4</b>

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## Funding gap

- Difference between the total requirements, based on the global needs assessment (GNA) budget, and the funds available, represents the funding gap in UNHCR

Total requirements and funds available				
(In millions of USD)	GNA	Funds Available	Funding Gap	
2013	5,335.3	3,234.0	2,101.1	39.4%
2014	6,236.2	*3,612.3	2,623.9	42.0%

\* February 2015, accounting records pending closure

- Funding spent by situation, shortfalls and the related reason for such shortfall and how the unmet needs are being addressed in Annual Global Report.

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## Implementing Partnerships

### Enhancements of the Framework

- Unique, and distinguished collaboration that UNHCR's transfer of financial contribution to partners
- Largest partnerships and essential to delivering HC mandate and programme/projects to persons of concern
- In 2014, UNHCR entered into 1,653 partnership agreements for a total amount of \$1.35 billion (an increase of 6% and 12% over 2013, respectively) with 913 partners

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## Implementing Partnerships

### Enhancements of the Framework

- Management of Implementing Partnerships is complex
- One of the identified high risk areas by the auditors (UNHCR Financial Statements have been qualified in 2002 and 2008 due to this matter)
- Enhancements of the Framework for Implementing with Partners being carried out in phases and consultative manner

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## Implementing Partnerships

### Enhancements of the Framework

Changes are introduced to:

- improve operational effectiveness
- enhance accountability and assurance, and
- partnerships

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## Implementing Partnerships

### Enhancements of the Framework

So far the following changes have been made:

- shift audit approach to risk-based
- revised terms and provisions of standard partnership agreements
- new policy and standard procedures for selection (transparent, objective and inclusive process)
- linking disbursement of funds linking to expected results and delivery
- new policy and standard procedures for procurement by partners
- Interactive-web based Partner Portal for registration of partners and access for partners to UNHCR information/policies related to partnerships

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**THANK YOU**

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