



Internal audit in the Office of the United Nations High Commissioner for Refugees for the period from 1 July 2017 to 30 June 2018

Report of the Office of Internal Oversight Services



UNHCR
The UN Refugee Agency



Introduction

A revised memorandum of understanding on internal audit services that OIOS provides to UNHCR was signed by the High Commissioner and the Under-Secretary-General of OIOS on 5 March 2018.

During the reporting period, there were:

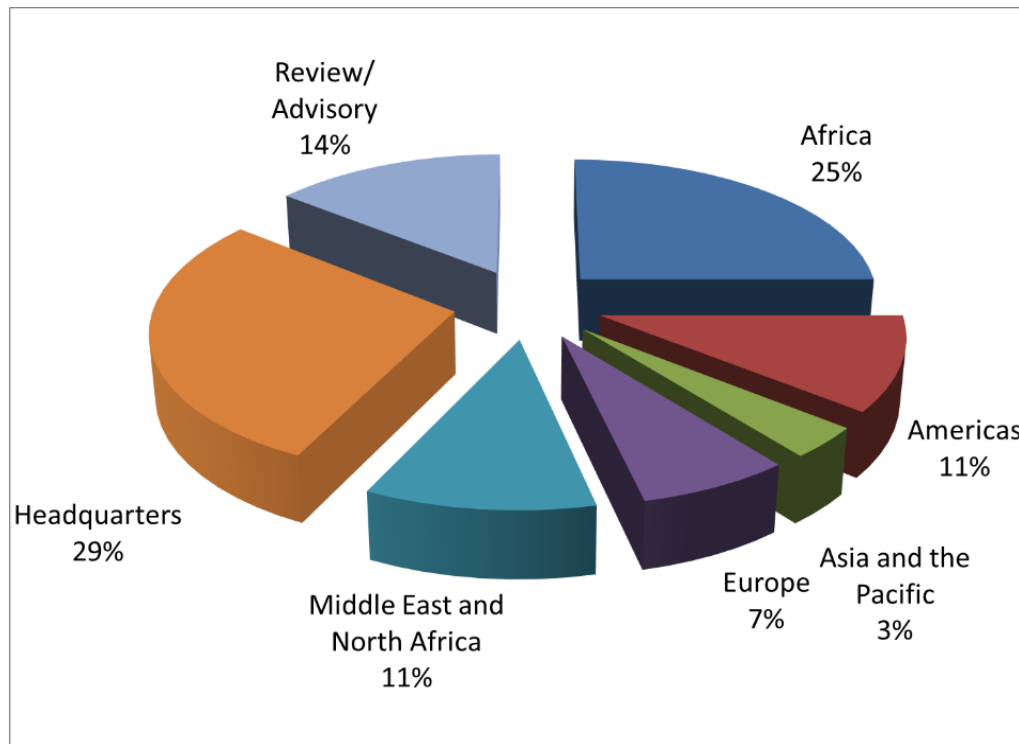
- sufficient resources (budget and staffing); and
- no inappropriate interference in determining the scope of internal auditing, in performing the work and/or in communicating the results that would have impeded the independence of the OIOS internal audit function at UNHCR.

OIOS had a total of 26 posts dedicated to UNHCR activities. As at the end of June 2018, all 26 posts were filled.



Audit reports

OIOS completed 28 engagements during the period 1 July 2017-30 June 2018. The breakdown of the reports by region/theme was as follows:





Audit recommendations

OIOS issued 133 recommendations in the 28 engagements completed:

- 122 recommendations (92 per cent) were important; and
- 11 (8 per cent) were critical.

During the year, 149 recommendations were fully implemented. At the end of the reporting period, 129 recommendations remained open.

A total of 29 open recommendations (28 important and 1 critical) were over 2 years old as at 30 June 2018.



Interaction with management

OIOS:

- Attended both IAOC meetings held during the reporting period;
- Had regular meetings with the High Commissioner, Deputy High Commissioner and the two Assistant High Commissioners;
- Met with Directors of regional bureaux and divisions and Representatives in the field on different occasions;
- Held periodic meetings with the Controller, the Chief Risk Officer, the Head of the Ethics Office, the Head of Organizational Development and Management, the Principal Policy Adviser in the Executive Office, and the Director of Change Management on matters of mutual interest.



Interaction with the Inspector General and Inspector General's Office

- Close collaboration between the Chief of UNHCR Audit Service and the Inspector General on audit matters;
- Regular coordination on audit referrals for investigation follow-up;
- Cooperation on the revision of the MoU on the provision of internal audit services by OIOS to UNHCR;
- Close interaction in the development of online training programmes on audit and oversight matters;
- OIOS advice and support on creation of the IGO's new Strategic Oversight function;
- IGO support to OIOS in designing and updating risk-based audit tools, notably on protection matters.





Professional development activities

To further enhance its work and capacity to deliver high quality impactful audits, OIOS developed:

- Tools, practice guides and training in the areas of fraud auditing, performance auditing, data analytics, gender mainstreaming and risk culture;
- A roadmap for information and communications technology (ICT) auditing at UNHCR for the 5-year period of 2018-2023;
- A programme to strengthen the capacity of internal audit staff in relation to audit of protection systems and procedures at UNHCR.



Reviews and advisories

- OIOS conducted two reviews of recurrent issues raised in past audit reports of UNHCR field operations, covering: (a) accounts receivable; and (b) distribution of non-food items. Three important recommendations were raised in both reviews to enhance processes at the institutional level. All six recommendations were in the process of implementation as at 30 June 2018.
- OIOS also conducted two advisory engagements at the request of UNHCR on: (a) the implementation of the Enterprise Risk Management policy and procedures; and (b) the implementation of risk management and control responsibilities of entities considered part of the second line of defence.





Audit engagements (1)

The following headquarters and thematic audits were completed:

- Education grant entitlements;
- Shelter programmes;
- proGres version 4 registration and case management system;
- Staff accommodation in the field;
- Regional Bureau for Europe.

26 recommendations, 5 of which critical, were raised in these reports to address entity wide control weaknesses. Five of the 26 recommendations had been fully implemented by 30 June 2018.



Audit engagements (2)

The following ICT audits were undertaken during the period:

- Use of telecommunication devices and telecommunication expenditure control and billing;
- Adequacy of the network bandwidth;
- ICT security.

18 recommendations, none critical, were raised in these reports to address deficiencies in ICT controls. All the recommendations were in the process of being implemented as at 30 June 2018.



Audit engagements (3)

Systemic issues highlighted in the 16 audits of field operations included the following:

- In partnership management, in 13 of the 16 audits, OIOS made recommendations to address weaknesses identified. In two of these operations, the recommendations were assessed as critical. A recurrent control weakness in all 13 field operations related to monitoring of projects implemented by partners.
- In vendor management and procurement, in 12 of the 16 audits, OIOS made recommendations to address recurring weaknesses related to: vendor registration, the functioning of the committees on contracts; and transparency and competitiveness of the procurement processes. In two of these operations, the recommendations were assessed as critical.



Thank you!