



# General Assembly

Distr.: General  
28 July 2022

Original: English

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## Executive Committee of the High Commissioner's Programme

Seventy-third session

10-14 October 2022

Item 4 (b) of the provisional agenda

**Consideration of reports on the work of the Standing Committee**

**Programme budgets, management, financial control  
and administrative oversight**

## **Internal audit in the Office of the United Nations High Commissioner for Refugees for the period from 1 July 2021 to 30 June 2022**

### **Report of the Office of Internal Oversight Services**

#### *Summary*

This report provides an overview of the internal audit activities undertaken by the Office of Internal Oversight Services (OIOS) in respect of the Office of the United Nations High Commissioner for Refugees (UNHCR), covering the period from 1 July 2021 to 30 June 2022. It is provided pursuant to the decision of the Executive Committee to consider reports relating to programme and administrative oversight during its annual plenary session ([A/AC.96/1003](#), para. 25(1)(f)(vi)).

## I. Introduction

1. The internal audit function of the Office of the United Nations High Commissioner for Refugees (UNHCR) is provided by the Office of Internal Oversight Services (OIOS) in accordance with the relevant resolutions of the General Assembly, including the United Nations Financial Regulations, the Financial Rules for voluntary funds administered by the High Commissioner for Refugees, and the memorandum of understanding between UNHCR and OIOS dated 5 March 2018. OIOS was established by the General Assembly pursuant to resolution 48/218 B.
2. The present report provides an overview of internal audit activities of UNHCR conducted by OIOS during the period from 1 July 2021 to 30 June 2022. Internal audit reports issued during the period were published on the OIOS webpage<sup>1</sup> in accordance with General Assembly resolution 69/253.
3. From 1 July 2021 to 30 June 2022, OIOS completed 18 audit engagements and 1 advisory engagement in respect of UNHCR.

## II. Internal audit strategy and results

### A. Strategy

4. OIOS provides assurance on the adequacy and effectiveness of implemented governance, risk management and controls to ensure the achievement of organizational objectives. OIOS uses a risk-based methodology to identify, select and prioritize its activities as well as direct its audit resources towards the areas of greatest risk and where internal audit will add the most value. The OIOS risk-based work planning process is aligned with the UNHCR corporate risk register.
5. During the reporting period, OIOS reviewed the UNHCR audit universe<sup>2</sup> to identify potential audit activities which collectively contribute to the achievement of the organization's strategic objectives. In arriving at a list of prioritized audits, OIOS scored and ranked the audit universe using a risk assessment model. Furthermore, to ensure that OIOS adequately incorporated strategic and topical issues in its risk-based work plan, OIOS drew on UNHCR senior management's knowledge of operations, controls and potential risks at headquarters, in the regional bureaux and at country level. OIOS also considered planned work by other third line assurance providers, including the United Nations Board of Auditors, the United Nations Joint Inspection Unit and, in UNHCR, the Inspector General's Office and the Evaluation Service, to avoid overlaps and gaps in coverage of key risks.
6. OIOS developed a three-year rolling plan that supported effective resource planning and provided some flexibility to adjust activities as the environment changed. When developing this plan, an audit cycle was agreed with UNHCR management. The plan is to cover activities rated as high and medium risk every three and five years respectively. To provide a minimum required level of assurance, OIOS will also subject areas rated as low risk to limited scope reviews every five years.
7. The coronavirus disease (COVID-19) continued to impact the work of OIOS during the reporting period, with activities taking longer under the remote working modality because documents were not available electronically and due to limited access to staff. Ten of the 12 field operation audits were conducted remotely during the reporting period due to travel restrictions. In the last quarter of 2021, OIOS reinstated physical verifications and on-site assessments as part of its audits of field offices and thematic reviews. However, OIOS will continue to use a combination of remote working modalities and field travel, whenever necessary and feasible.

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<sup>1</sup> <https://oios.un.org/>

<sup>2</sup> The UNHCR audit universe is comprised of 105 country operations, 7 regional bureaux, 9 headquarters entities, 16 management support functions, 19 results areas and 8 reform workstreams.

## B. Results

8. OIOS completed 19 audit and advisory engagements during the reporting period. The completed assignments consisted of: (i) 6 headquarters, thematic and information and communications technology (ICT) audits (see annex I); (ii) 12 field operations (see annex II); and (iii) one advisory engagement (see annex III). The 12 field operation audits completed during the reporting period covered expenditure totalling \$811 million,<sup>3</sup> as shown in table 1. This represented 19 per cent of the expenditure incurred during the reporting period in field operations.

**Table 1: Expenditure of field operations audited during the reporting period**

<i>Region</i>	<i>Total expenditure (US\$ millions)</i>	<i>Expenditure in audited field operations* (US\$ millions)</i>	<i>Percentage 2020–2021</i>	<i>Percentage 2020–2019</i>
Southern Africa	211	14	7%	48%
Europe	359	4	1%	21%
Americas	415	24	6%	25%
West and Central Africa	446	79	18%	11%
Asia and the Pacific	543	6	1%	0
East and Horn of Africa and Great Lakes	990	481	49%	16%
Middle East and North Africa	1,286	204	16%	44%
<b>TOTAL</b>	<b>4,251</b>	<b>811</b>	<b>19%</b>	<b>22%</b>

\* Does not include field operations that are covered under thematic audits.

9. Table 2 reflects the engagements completed by OIOS over the last three years and shows the internal audit coverage distribution between headquarters/thematic/ICT audits and audits of field operations. To assist UNHCR in identifying and responding to risks emerging from the COVID-19 pandemic, OIOS conducted a higher number of advisory engagements in 2020–2021 compared to the prior and current reporting period.

**Table 2: Total number of engagements during the period 1 July 2019 to 30 June 2022**

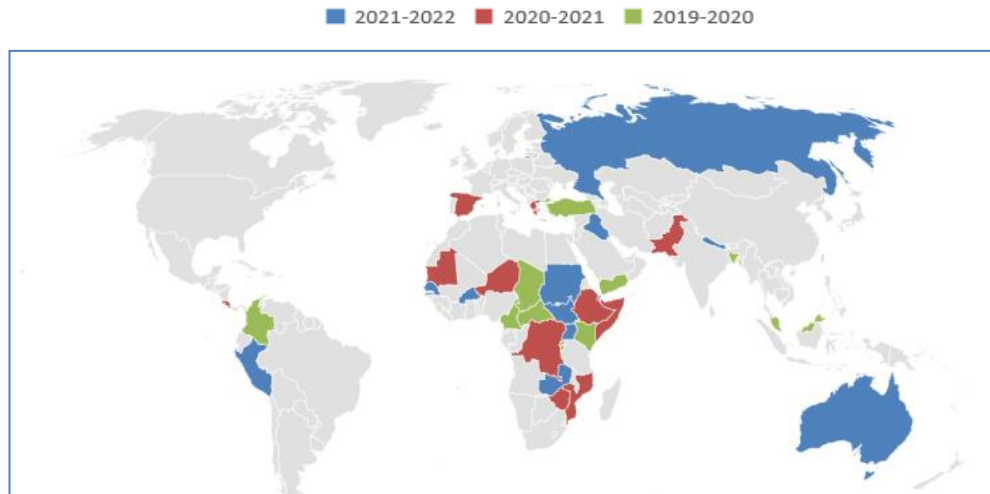
	<b>Headquarters, thematic and ICT audits</b>	<b>Field operation audits</b>	<b>Advisories</b>	<b>Total</b>
2021–2022	6	12	1	<b>19</b>
2020–2021	6	11	7	<b>24</b>
2019–2020	7	11	1	<b>19</b>

10. The 12 field operations audited during the reporting period brought the total number of countries in which audits were conducted over the last three years to 34, as reflected in figure 1. This included 17 of the 23 countries rated as highest risk<sup>4</sup> by OIOS during its annual work planning process. Audits of an additional four high-risk operations were underway and will be concluded in 2022, leaving two others to be conducted in 2023.

<sup>3</sup> This relates to 2021 expenditure for the respective country operations.

<sup>4</sup> OIOS shares its risk ratings of country operations with UNHCR as part of work planning consultations. Differences in the criteria used can result in differences between the respective risk ratings given to particular country offices. For example, the UNHCR Enterprise Risk Management unit has classified 33 countries as high risk. However, notwithstanding their rating, the OIOS work plan is designed to provide assurance coverage of all countries over a periodic cycle, with higher-risk countries covered more frequently.

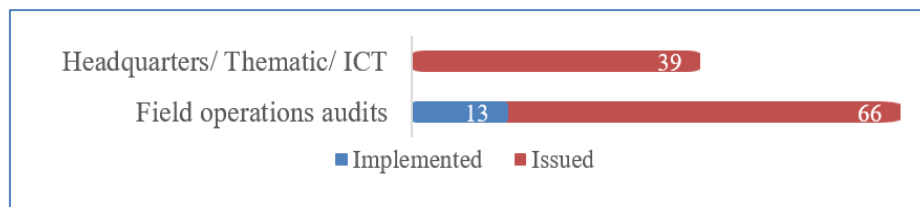
**Figure 1: Field operations audited in the last three years**



**C. Analysis of recommendations**

11. During the reporting period, OIOS issued 105 recommendations from the 18 audit engagements completed. UNHCR accepted and initiated action to implement the recommendations, with 13 closed as implemented by 30 June 2022, as reflected in figure 2. A further analysis of recommendations is provided in annexes I, II and III. Consistent with the standards applied by OIOS in providing audit advisory services, OIOS agreed with UNHCR that the results of the advisory review would not be publicly disclosed and that OIOS would not monitor the implementation of any suggested actions. Nevertheless, UNHCR senior management is putting in place an internal mechanism to follow up the implementation of these actions.

**Figure 2: Recommendations issued during the reporting period and implemented as at 30 June 2022**



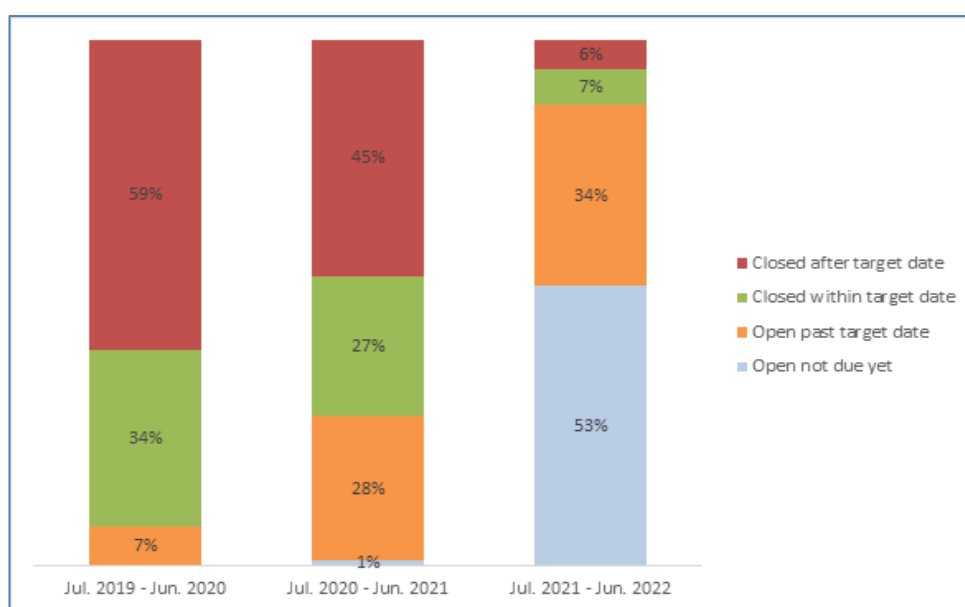
12. As shown in figure 2, and as is the case in prior reporting periods, recommendations related to field operations are closed within much shorter timeframes than those related to headquarters and thematic audits. However, most weaknesses in field operations concern a low level of compliance with UNHCR policies and procedures and a high inherent risk due to operational challenges and insufficiency of resources. Improvements are not always sustained due to the root causes of the observed weaknesses. This calls for strong monitoring and control by the relevant regional bureaux, a stated objective of the decentralization and regionalization reform process. In addition, recommendations made to headquarters divisions take longer to implement and close because they often require a change in policy, investments for implementation and implementation by other stakeholders.

13. Table 3 reflects the number of recommendations issued over the last three reporting periods. It shows a decline in the implementation rate over the last three reporting periods from 63 to 29 per cent. While this has been attributed to the effects of the COVID-19 pandemic, and this is understandable, improving the implementation rate needs to be addressed by management going forward.

**Table 3: Recommendations issued over the period 1 July 2019 to 30 June 2022**

	2019–2020	2020–2021	2021–2022
Number of audits	18	17	18
<b>Number of recommendations</b>			
Open as at 1 July	145	93	88
Issued during the reporting period	107	98	105
Total	252	191	193
Closed during the reporting period	(159)	(103)	(56)
<b>Open as at 30 June</b>	<b>93</b>	<b>88</b>	<b>137</b>
<b>Implementation rate<sup>5</sup></b>	<b>63%</b>	<b>47%</b>	<b>29%</b>

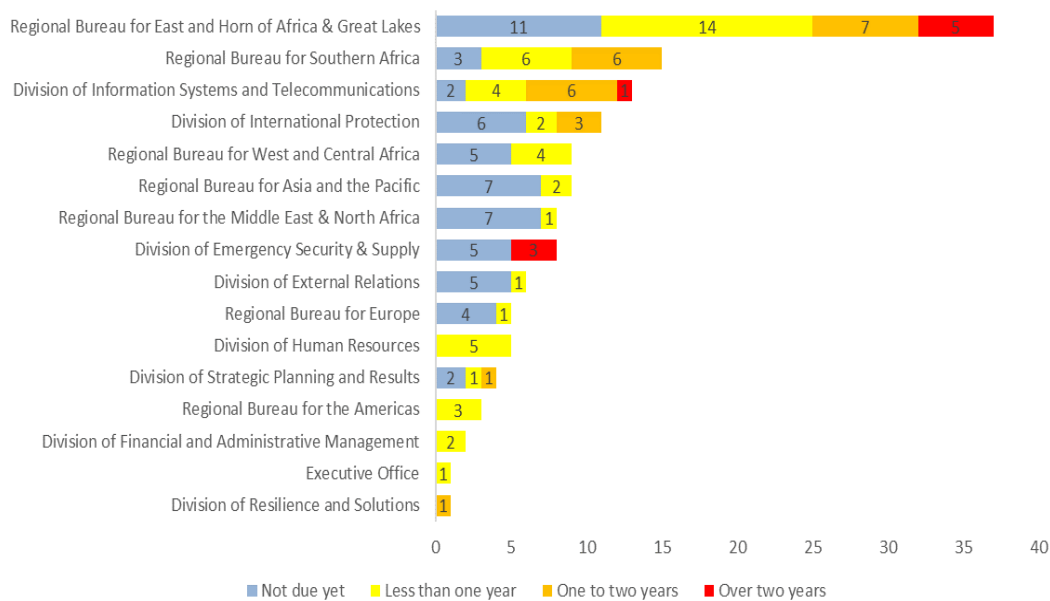
14. OIOS also assessed the timeliness of the implementation of recommendations over the last three reporting periods and noted that overall, the number of recommendations that closed before the target dates remained relatively low, as reflected in figure 3.

**Figure 3: Timeliness of implementing audit recommendations, per period of issuance**

15. As at 30 June 2022, 137 recommendations remained open, of which 58 per cent had passed their target implementation date. OIOS traditionally conducts more field operation audits than thematic and headquarters audits, which contributes to the relatively larger number of recommendations addressed to the regional bureaux than divisions, as reflected in figure 4.

<sup>5</sup> The implementation rate is determined by the number of closed recommendations during the period compared to the number of open recommendations accumulated during the period.

**Figure 4: Aging of open recommendations by regional bureaux/ divisions as at 30 June 2022**



16. The delays in implementing recommendations resulted in the classification of 33 of them as long-outstanding, or open for more than 12 months beyond their target date for implementation (details are provided in annex IV). OIOS has reconfirmed with UNHCR management the continued validity of the findings that resulted in these recommendations and reiterated the need to ensure timely implementation. Further details on recommendations that are open for more than two years are contained in annex V.

17. OIOS made additional efforts during the reporting period to address the recommendations that are outstanding for more than two years in the Regional Bureau for East and Horn of Africa and the Great Lakes. This Bureau also had the oldest and largest number of open recommendations in the last three reporting periods. They related to the delayed recovery of funds from prior audits in Uganda and the United Republic of Tanzania, as well as gaps in fleet management in the operation in Ethiopia (since 2017) as well as in the management of partners and medicines in the United Republic of Tanzania.

18. The Division of Emergency Security and Supply plans to reassign the implementation of the three long-outstanding recommendations related to gaps in warehousing in field operations to the relevant regional bureaux. The monitoring and oversight of warehouse management at country level is now vested at the regional bureau level, in line with the decentralization and regionalization reform process. The Division of Information Systems and Telecommunications requires, but has not yet obtained, funding to replace obsolete ICT equipment under the business transformation programme.

## D. Savings and recoveries

19. During the reporting period, recoveries worth \$106,000 were reported by UNHCR in connection with an OIOS recommendation pertaining to an audit carried out in Uganda (2018/097). This related to a refund worth \$1.2 million from an implementing partner for overpayments on road construction, bringing the total paid to date to approximately \$640,000. The partner has committed to paying the balance by September 2023.

### **III. Summary of oversight activities**

#### **A. Delivering services during the COVID-19 pandemic**

20. The restrictions caused by the COVID-19 pandemic impacted the environment within which UNHCR operated and constrained service delivery to persons of concern. To ensure an effective and timely response to emerging needs, vulnerabilities and operational challenges faced in assisting persons of concern, UNHCR waived certain policy requirements during the pandemic, which impacted the effectiveness of instituted internal controls. In the audit of operations in South Sudan (2022/028), the field operation did not monitor the programme implementation by partners, and this contributed to: (i) a reduced number of persons reached with assistance; (ii) a decline in the quality of services provided; and (iii) inefficiencies and gaps in accountability for resources provided. The UNHCR second line functions needed to ensure controls are reinstated to ensure cost-effective service delivery to persons of concern.

#### **B. UNHCR reform**

21. UNHCR is implementing its organizational transformation around eight pillars: (i) Global Compact on Refugees; (ii) data and digitalization; (iii) results-based management; (iv) enterprise risk management; (v) business processes and systems; (vi) United Nations reform; (vii) people management and human resources; and (viii) decentralization and regionalization. Through the audits and advisory engagements conducted during the reporting period, OIOS reviewed these reforms as standalone assignments and indirectly through field operation audits.

##### **1. Global Compact on Refugees**

22. Despite the changing environment in which field operations operate, persons of concern remained heavily dependent on UNHCR for assistance. This may not be sustainable in a resource-constrained environment in the long term. Overall, field audits in Djibouti (2021/063), Nepal (2022/024), the Sudan (2021/034), Uganda (2021/039) and Zambia (2021/083) noted that governments had made some progress in implementing pledges made during the Global Refugee Forum in 2019 towards the Global Compact on Refugees, particularly in mainstreaming persons of concern into national systems. However, except for Nepal, this was deemed a mere change of implementation arrangements, with governments taking over programmes and UNHCR remaining primarily responsible for funding all activities. Field operations needed to support the implementation of the government pledges to ensure they fully materialize. Additionally at the request of UNHCR, OIOS launched an advisory assignment to assess the status of implementation of the Global Refugee Forum pledges.

##### **2. Results-based management**

23. On average, the field operations audited by OIOS during the reporting period had received only around 50 per cent of required funding. This called for effective strategic planning, robust prioritization of needs and resource allocation, and increased efficiency in the utilization of funds if operations were to meet their objectives. The results-based management reform has been instrumental in ensuring that all audited field operations have multi-year, multi-partner protection and solutions strategies that convey their vision and goals in protecting and delivering assistance to persons of concern. However, more work was needed in those operations to translate these visions into actionable plans that direct implementation and against which the success of the programmes can be assessed.

24. The field operations audited by OIOS collected and reported performance data in FOCUS, the former results-based management system of UNHCR. However, all audited field operations still faced challenges in setting realistic baselines and targets in FOCUS. Furthermore, the results reported in FOCUS were incomplete, inaccurate and, in many cases, unsupported. Moreover, field operations did not analyse programme non-performance for

rectification. The operationalization of COMPASS (the new UNHCR results-based management system) presented opportunities for country operations to reinforce strategic planning and ensure more credible performance information is available for decision-making.

### **3. Decentralization and regionalization**

25. UNHCR has, through its decentralization and regionalization process, successfully moved most of the bureaux from headquarters to their respective regions (Europe already being in the region). In an advisory assignment (2021/01445), OIOS assessed and provided UNHCR with advice regarding the adequacy and effectiveness of decentralized authorities and responsibilities to regional bureaux and country offices. In 2022, OIOS began two audits covering the adequacy and effectiveness of regional bureaux in improving the speed and responsiveness of service delivery to persons of concern by shifting personnel and decision-making authorities closer to the field.

26. Under the UNHCR decentralization and regionalization process, 15 multi country-operations were established in order to better safeguard the rights and well-being of refugees. The audits of the multi-country offices of Senegal (2021/064) and Australia (2021/078) highlighted the need to further define structures and clarify roles, responsibilities and authorities of these newly established offices, in light of the different contexts within which they operated. The audits in Nepal (2022/024) and the Russian Federation (2022/025) showed how service delivery was affected by reductions in staffing and funding without commensurate decreases in programme activities. UNHCR needed to review either the strategic direction of these offices or address resources gaps so that they can meet the priorities outlined in their current strategies.

27. The thematic audit of supply chain management activities in the Regional Bureau for the East, Horn of Africa and the Great Lakes (2021/074) highlighted a number of issues, including the need to: further distinguish the oversight provided by the bureau and headquarter divisions as second line functions to field operations; clarify the roles and reporting lines of supply staff in the bureau and at the country level; and review the staff capacity, tools and processes available to the second line functions for effective oversight and support to field operations.

### **4. Enterprise risk management**

28. All field operation audits considered the implementation of enterprise risk management, with considerable improvement noted in the quality of risk registers maintained by operations. The UNHCR results-based management framework presented an opportunity to better align risks to the strategic objectives of the operations. However, the field operations needed to ensure that proposed actions are implemented in a timely manner and are effective in mitigating identified risks. More work was also needed to embed risk management into core processes. At the request of UNHCR, OIOS is conducting an advisory (to be completed in September 2022) to assess the organization's level of risk maturity against the High-Level Committee on Management and Joint Inspection Unit benchmarks, and the progress made in achieving the objectives of its five-year risk management strategy (2021–2025).

## **C. Headquarters systems and processes including information and communication technology**

29. The audit of the COVID-19 response arrangements for the health and well-being of personnel (2021/075) noted that UNHCR instituted relevant outbreak response and prevention measures to balance its imperative mandate delivery, while ensuring the health and well-being of personnel. However, to ensure the continued health and well-being of personnel, UNHCR needed to strengthen its organizational resilience so that critical actions are taken quickly in response to crisis situations. It also needed to address the low COVID-19 vaccination rates, strengthen medical evacuation arrangements and improve psychosocial support available to staff.

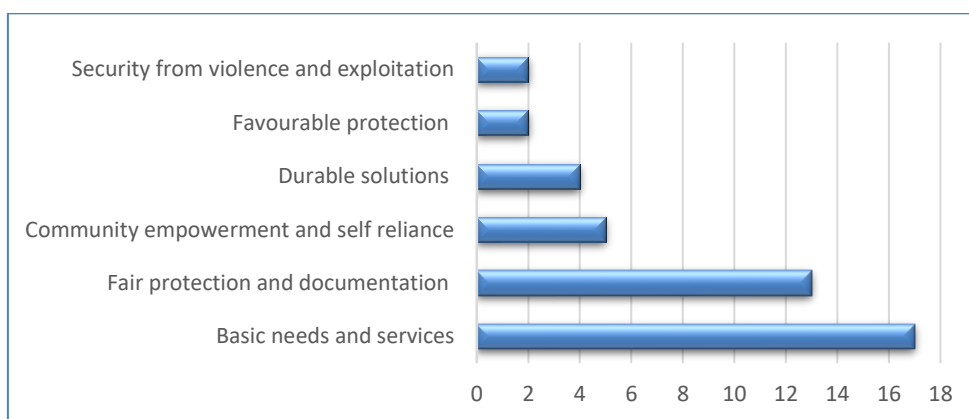


30. The audit of ICT security (2021/056) noted that UNHCR had reinforced its information security capabilities. However, the overarching policy needed further development and the security of end-user devices required strengthening. An audit of records and archives management (2021/065) highlighted the progress of UNHCR in transitioning to digital business processes and electronic recordkeeping. There was, however, a need to strengthen its records and archiving management framework, roll out an integrated electronic recordkeeping solution, strengthen divisional and regional bureaux capacity to undertake related tasks effectively and implement a cost-efficient model for archiving individual case files of persons of concern.

#### D. Selected results in UNHCR strategic priority areas

31. The global strategic priorities of UNHCR represent areas in which it wants to make targeted efforts to strengthen protection, improve the quality of life and seek solutions for persons of concern. Figure 5 shows the OIOS analysis of the number of recommendations raised from audits of field operations against the 2021 strategic priorities.

**Figure 5: Mapping of field operation audit recommendations against the 2021 strategic priorities**



##### 1. Fair protection

32. Despite UNHCR support for government-led registration, refugee status determination and document issuance processes in Peru (2021/057), Sudan (2021/034), Uganda (2021/039) and Zambia (2021/083), as well as the Senegal multi-country operation (2021/064), there were significant backlogs which impacted access to documentation, services and protection for persons of concern. Furthermore, these field operations did not have reliable data to inform their programming and decision-making. The relevant field operations also needed to conduct physical verifications of persons of concern and implement processes to keep related data up to date.

33. The audit in South Sudan (2022/028) noted that, despite children constituting 60 per cent of persons of concern, only 1 per cent of the operation's budget was allocated to child protection. This, together with the lack of dedicated technical staff, affected service delivery, with only 40 per cent of children reported as attending school. A thematic audit of child protection (2021/071) concluded that to better achieve UNHCR-related objectives, country operations needed to better prioritize children during resource allocation, strengthen best interest procedures as a means of identifying the most appropriate actions to take for children at risk, and work better with related sectors such as education and efforts to prevent sexual and gender-based violence to address related risks.

34. The COVID-19 pandemic heightened the risk of violence and exploitation among persons of concern and, thus, was a strategic priority in all field operations audited. The UNHCR response to sexual and gender-based violence in Iraq (2022/011) and South Sudan (2022/028) remained primarily constrained by the absence of functional legal and judicial systems, limited livelihood activities to reduce vulnerability and cultural factors that affected

the identification of survivors. All field operations needed to strengthen their prevention programmes as well as the provision of medical services, security, and psychosocial and legal support to assist survivors to recover from the long-term effects of sexual and gender-based violence.

## **2. Durable solutions and livelihoods**

35. Finding durable solutions in Nepal (2022/024), the Russian Federation (2022/025) and Zambia (2021/083) was challenging because: (i) most persons of concern were unwilling to be repatriated to their countries of origin; (ii) there were insufficient quotas for resettlement in third countries; and (iii) limited progress had been made in locally integrating persons of concern. Most persons of concern remained dependent on UNHCR and other humanitarian actors for assistance, which was not sustainable considering the financial constraints of UNHCR. Field operations also needed to reinforce their advocacy to drive the increased integration of persons of concern into national systems.

36. Field operations supported livelihood programmes as a means of sustenance for persons of concern. However, in Zambia (2021/083) the effectiveness of such programmes was constrained by country legislation that restricted the movement of refugees and their ability to work and run businesses. Field operations needed to assess the effectiveness of livelihood programmes in providing a means of sustenance to persons of concern and use the results to update their strategic direction regarding livelihood programming and economic inclusion.

## **3. Basic needs**

37. The largest expenditure category in most operations was related to meeting basic needs for persons of concern. Reductions in operating level budgets were seen to impact the ability of UNHCR to provide persons of concern with services, in line with its standards for water, sanitation and hygiene, health care, education and shelter. The audit in Sudan (2021/034) noted that the delivery of health services to persons of concern could be further strengthened by ensuring the timely provision of medicines and medical supplies, maintaining accurate health data for decision-making, monitoring malnutrition among persons of concern, properly managing referrals and preparing epidemic plans.

38. The audit in South Sudan (2022/028) noted that strategies were needed to address the quality of education provided in schools and increase the number of children of school age attending school. There was also a need for operations in Sudan and South Sudan to strengthen their planning, management and monitoring of shelter and settlement programmes to ensure persons of concern have access to shelters that meet UNHCR standards of privacy, protection from the elements, emotional security and space to live.

39. UNHCR delivers services through cash assistance and the distribution of core relief items, with the former as the preferred mode of delivery. While UNHCR has more than doubled the use of cash assistance at the global level, challenges remain in scaling up cash assistance, particularly in Africa where operations distribute core relief items. Initial studies in South Sudan and Uganda showed that the use of cash as a service modality was more cost-effective and thus the audits recommended that plans to scale up and roll out cash assistance be developed for implementation. Considering the limited available funds for cash assistance and core relief items, all field operations needed to better target the most vulnerable. The same audits also highlighted the need to reconcile items received with items distributed to persons of concern to ensure proper accountability and safeguard inventories. Field operations needed to monitor distributions to ensure that cash and core relief items reach the intended beneficiaries.

## **4. Management processes to support the delivery of services**

40. The number of countries with emergencies due to political instability and natural disasters continued to increase during the reporting period. As noted in the audit of emergency operations in Burkina Faso (2022/016), the Regional Bureau for West and Central Africa was instrumental in supporting the delivery of services to internally displaced persons

during the emergency. However, stronger emergency preparedness and coordination would have ensured a more effective response. Also, the audit showed the need for UNHCR to support the scaling down of operations after the deactivation of a level-3 emergency so that registered gains were not lost.

41. UNHCR continues to rely heavily on implementing partners to deliver services to persons of concern, with an average of 60 per cent of the programme budget allocated to partners in the 12 countries audited. The audit of the selection and retention of partners in UNHCR country operations during the COVID-19 emergency (2021/04) and most of the field operation audits identified, as has been the case in past years, a continuing need for UNHCR to do proper due diligence prior to selecting partners and better manage and monitor them to ensure they deliver quality services to persons of concern in a timely and cost-effective manner.

42. UNHCR works with government partners to provide protection assistance and solutions to persons of concern in all countries audited. It not only provides funding for service delivery but also invests heavily in meeting operational costs, including salaries for large numbers of staff. However, there were challenges in managing some of the relationships with government partners, and this affected the ability of UNHCR to deliver services in a timely and cost-effective manner, as was noted in the audits in Djibouti (2021/063), Sudan (2021/034), Uganda (2021/039) and Zambia (2021/083). In 2022, OIOS plans to conduct an audit of UNHCR management of its relationships with government partners with an implementing role.

43. The high value of purchases and inventories managed annually attests to the strategic importance of supply chain management in the delivery of UNHCR services to persons of concern. However, the audits in Peru, South Sudan, Sudan, Uganda and Zambia highlighted gaps in procurement and construction that affected the organization's ability to obtain best value on related transactions. The thematic audit of supply chain management activities in the Regional Bureau for the East, Horn of Africa and the Great Lakes (2021/071) noted that UNHCR had embarked on several initiatives meant to address persistent gaps identified in field audits in the region. However, the second line functions needed to do more to strengthen the control environment within which procurement took place.

#### **IV. Cooperation and coordination**

44. OIOS received effective cooperation from UNHCR management and staff during the reporting period and met with the High Commissioner, the Deputy High Commissioner and other senior managers to discuss matters relating to internal audit strategy, process and results, including risk-based work planning, implementation of the work plan and status of outstanding recommendations.

45. OIOS attended the sessions of the Independent Audit and Oversight Committee during the reporting period to discuss implementation of the internal audit work plan and other matters relating to internal oversight activities. OIOS also provided quarterly reports to UNHCR management and the Independent Audit and Oversight Committee on its oversight activities.

46. OIOS coordinated its work with the Inspector General's Office and the Evaluation Service in UNHCR to ensure effective and efficient internal oversight, and with the United Nations Board of Auditors and the United Nations Joint Inspection Unit to enhance synergies and efficiencies in the discharge of the respective mandates.

47. OIOS also shared knowledge on good practices and innovations in oversight methodologies with other internal oversight functions of the United Nations system through interactions with United Nations Representatives of Internal Audit Services.

## V. Staffing and budgetary resources

### A. Staffing

48. OIOS had a total of 27 posts approved and dedicated to UNHCR activities in 2020 and 2021, as shown in table 4. As at 30 June 2022, 23 of the 27 posts were filled. The selection process for the four other posts was ongoing. The gender parity index stood at 43 per cent, and there was good geographical representation of staff. The UNHCR audit team also benefited from existing OIOS structures in New York and elsewhere that provided quality assurance oversight, training and professional development and other support. OIOS continuously monitors the quality of its processes and results.

**Table 4: Approved posts for 2021 and 2022**

<i>Location</i>	<i>Geneva</i>		<i>Nairobi</i>		<i>Budapest</i>		<i>Total</i>	
	2021	2022	2021	2022	2021	2022	2021	2022
Type of staff/ Year								
Professional	9	9	7	7	6	6	22	22
General Service	3	3	1	1	1	1	5	5
<b>Total</b>	<b>12</b>	<b>12</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>27</b>	<b>27</b>

### B. Budget

49. Table 5 shows the budgets provided for internal audit for 2021 and 2022. Due to the financial constraints of UNHCR in 2020, the internal audit budget saw a 5 per cent reduction in non-post allocations for travel and general operational costs. The reduction in non-post expenditures was due to COVID-19 related travel restrictions, though this is expected to change as OIOS returns to field travel.

**Table 5: Internal audit budgets for 2021 and 2022**

<i>Cost category</i>	<i>2021</i>	<i>2022</i>
Staff costs	\$4,962,000	\$4,962,887
Non-staff	\$689,936	\$680,936
<b>Total</b>	<b>\$5,651,936</b>	<b>\$5,643,824</b>

## Annex I

### Final reports issued from 1 July 2021 to 30 June 2022: Headquarters functions, thematic areas, and information and communications technology

<i>No.</i>	<i>Report number</i>	<i>Assignment title</i>	<i>Date of final report</i>	<i>Number of recommendations</i>	
				<i>Important</i>	<i>Critical</i>
1	2021/041	Audit of the selection and retention of partners in UNHCR country operations during the COVID-19 emergency	07-Sep-21	2	0
2	2021/056	Audit of information and communication technology security at the Office of the United Nations High Commissioner for Refugees	30-Nov-21	5	0
3	2021/065	Audit of records and archives management at the Office of the United Nations High Commissioner for Refugees	17-Dec-21	6	0
4	2021/074	Audit of supply chain management activities in the Regional Bureau for East, Horn of Africa and the Great Lakes of the United Nations High Commissioner for Refugees	23-Dec-21	7	0
5	2021/075	Audit of the COVID-19 response arrangements for health and well-being of personnel at the Office of the United Nations High Commissioner for Refugees	23-Dec-21	13 <sup>6</sup>	0
6	2021/071	Thematic audit of child protection at the Office of United Nations High Commissioner for Refugees	23-Dec-21	6	0
<b><i>Total</i></b>				<b>39</b>	<b>0</b>

<sup>6</sup> The audit report includes one recommendation addressed to the Division of Financial and Administrative Management, five recommendations addressed to the Division of Human Resources and one recommendation addressed to the seven regional bureaux. The latter has been counted as seven recommendations, as it requires agreed actions to be implemented by each of the seven regional bureaux, bringing the total number of recommendations tracked for implementation to 13.

## Final reports issued from 1 July 2021 to 30 June 2022: Field operations

No.	Report number	Assignment title	Date of final report	Number of recommendations	
				Important	Critical
1	2021/034	Audit of the operations in the Sudan for the Office of the United Nations High Commissioner for Refugees	16-Aug-21	6	0
2	2021/039	Audit of the operations in Uganda for the United Nations High Commissioner for Refugees	26-Aug-21	6	0
3	2021/057	Audit of the operations in Peru for the Office of the United Nations High Commissioner for Refugees	30-Nov-21	6	0
4	2021/064	Audit of the multi-country office in Senegal for the Office of the United Nations High Commissioner for Refugees	16-Dec-21	5	0
5	2021/063	Audit of operations in Djibouti for the Office of the United Nations High Commissioner for Refugees	16-Dec-21	6	0
6	2021/078	Audit of the multi-country office in Australia of the Office of the United Nations High Commissioner for Refugees	27-Dec-21	4	0
7	2021/083	Audit of operations in Zambia for the Office of the United Nations High Commissioner for Refugee	31-Dec-21	5	0
8	2022/011	Audit of operations in Iraq for the Office of the United Nations High Commissioner for Refugees	12-May-22	7	0
9	2022/016	Audit of emergency operations in Burkina Faso for the Office of the United Nations High Commissioner for Refugee	01-Jun-22	5	0
10	2022/025	Audit of the operations in the Russian Federation for the Office of the United Nations High Commissioner for Refugee	27-Jun-22	5	0
11	2022/024	Audit of the operations in Nepal for the Office of the United Nations High Commissioner for Refugees	27-Jun-22	4	0
12	2022/028	Audit of the operations in South Sudan for the Office of the United Nations High Commissioner for Refugees	30-Jun-22	7	0
<b>Total</b>				<b>66</b>	<b>0</b>

## Annex III

### Final reports issued from 1 July 2021 to 30 June 2022: Advisory engagements

<i>No.</i>	<i>Report number</i>	<i>Assignment title</i>	<i>Date of final report</i>	<i>Suggested actions</i>
1	2021/01445	Advisory on the implementation of the decentralization and regionalization process at the Office of the United Nations High Commissioner for Refugees	01-Oct-21	4
<i>Total</i>				<i>4</i>

Long-outstanding recommendations as at 30 June 2022<sup>7</sup>

<i>Assignment</i>	<i>Report date</i>	<i>Number of recommendations</i>
AR2016-110-05 Audit of UNHCR operations in Ethiopia	15/03/2017	1
AR2018-111-01 Audit of UNHCR operations in Uganda	17/10/2018	1
VR2018-163-01 Review of recurrent issues in programme planning, monitoring and reporting in past internal audit reports at UNHCR	19/11/2018	1
AR2018-167-01 Audit of warehouse management in UNHCR field operations	12/12/2018	3
AR2018-111-07 Audit of UNHCR operations in the United Republic of Tanzania	22/05/2019	2
AR2019-166-02 Audit of technology obsolescence at UNHCR	26/08/2019	1
AR2019-111-05 Audit of UNHCR operation in Kenya	29/11/2019	1
AR2019-163-01 Audit of UNHCR health programmes	16/12/2019	1
AR2019-166-04 Audit of information and communication technology governance at UNHCR	23/12/2019	5
AR2020-113-01 Audit of UNHCR operations in Mozambique	23/09/2020	5
AR2019-111-07 Audit of UNHCR operations in Ethiopia	01/10/2020	6
AR2019-164-01 Audit of resettlement practices at UNHCR	07/10/2020	3
AR2020-113-02 Audit of UNHCR operations in Zimbabwe	01/12/2020	1
AR2020-166-02 Audit of the arrangements for information technology continuity at UNHCR	01/12/2020	1
AR2020-112-01 Audit of UNHCR operations in Somalia	14/12/2020	1
<b>Total</b>		<b>33</b>

<sup>7</sup> Long-outstanding recommendations are those that remain open more than 12 months beyond their targeted date for implementation.



## Annex V

### Long-outstanding recommendations more than two years since target date

<i>Assignment</i>	<i>Recommendation</i>	<i>Last update</i>	<i>Estimated implementation date</i>	<i>Revised estimated implementation date</i>
AR2016-110-05 Audit of UNHCR Operations in Ethiopia	No. 8. The UNHCR Representation in Ethiopia, in coordination with the Bureau for Africa and the Asset and Fleet Management Section, should review the arrangements over fleet and fuel management in Ethiopia to ensure implementation of appropriate controls over determination of vehicle needs, disposal of vehicles, vehicle insurance schemes and allocation and utilization of vehicles and fuel and maintenance costs among partners and UNHCR offices.	Dec 2021: The Representation assessed vehicle needs and proposed actions including the disposal of some vehicles. However, in doing so, it did not consider the 310 vehicles operated by the government partner. To close the recommendation, OIOS would like to receive evidence that planning actions are informed by a comprehensive needs assessment.	30/04/2017	31/12/2021
AR2018-111-07 Audit of UNHCR operations in Tanzania (United Republic of)	No. 3. The UNHCR Representation in Tanzania (United Republic of), in collaboration with the Regional Bureau for Africa, should: (i) review its processes, including in terms of management supervision and monitoring, for the selection and retention of partners, designation of procurement to partners, and monitoring of projects and implement a time-bound action plan addressing the systemic and recurring issues raised in this audit in an effective and sustainable manner; and (ii) institute measures to recover all ineligible and unauthorized project costs and receivables from partners.	Dec 2021: The Representation did not provide evidence that all ineligible and unauthorized project costs as identified during the OIOS audit were either recovered or justified as not requiring recovery. Where it was determined that no recovery was necessary, OIOS would have liked to receive for its review the full justification along with all documentation and mitigating measures to prevent reoccurrence. The implementation of this recommendation will be reviewed as part of an ongoing audit of the operation in Tanzania (United Republic of).	30/09/2019	Not provided
AR2018-111-07 Audit of UNHCR operations in Tanzania (United Republic of)	No. 4. The UNHCR Representation in Tanzania (United Republic of), in consultation with the Public Health Section of the Division of Programme Support and Management, should implement an action plan to strengthen controls over safeguarding of medicines and related supplies at the Ngaraganza medical warehouse by: (i) developing and implementing standard operating procedures on medical inventory management; and (ii) ensuring robust monitoring of medical warehouse operations, including regarding the expiry date of medicines.	Dec 2021: The Representation developed an action plan to address control weaknesses identified in the OIOS audit. However, it did not provide evidence that the plan was ever implemented and that these gaps were addressed. The implementation of this recommendation will be reviewed as part of an ongoing audit of the operation in Tanzania (United Republic of).	30/09/2019	30/11/2021

<i>Assignment</i>	<i>Recommendation</i>	<i>Last update</i>	<i>Estimated implementation date</i>	<i>Revised estimated implementation date</i>
AR2018-167-01 Audit of warehouse management in UNHCR field operations	No.1. The UNHCR Division of Emergency, Security and Supply, in coordination with the Division of Financial and Administrative Management and the Division of Programme Support and Management as well as the regional bureaux, should ensure that: i) all warehouses controlled by UNHCR are identified by the country operations and recorded in its enterprise resource planning system (commonly referred to as MSRP) and the value of inventories is tracked, recorded and adequately insured; and ii) the different policy and guidance documents supporting the warehouse and inventory management of UNHCR are reviewed for consistency and clarity.	December 2021: The Division did not provide evidence showing that all warehouses controlled by UNHCR had been identified and were now recorded in its enterprise resource planning system and the value of inventories in these warehouses was being tracked, recorded and adequately insured. Hence, this part of the recommendation could not be closed. OIOS is also not aware of the status of the value of inventory aggregating to \$19.3 million at 234 locations as at the end of 31 December 2019.	31/10/2019	02/12/2021
AR2018-167-01 Audit of warehouse management in UNHCR field operations	No. 3. The UNHCR Division of Emergency, Security and Supply, in coordination with the regional bureaux, should develop and implement an action plan to strengthen monitoring and oversight of warehouse management, both in the country operations and at headquarters, with the objective of achieving effective controls over the establishment and operation of warehouses and addressing in a sustainable manner the systemic deficiencies identified in this audit.	May 2022: The UNHCR Division of Emergency, Security and Supply would like the implementation of the recommendation to be moved to the regional bureaux. While the monitoring and oversight of warehouse management and its establishment are now vested in the regional bureaux. However, OIOS believes that the Division is not precluded from exercising its function of ensuring UNHCR-wide consistency and approach in establishing and managing warehouses globally, particularly in addressing the issues raised by OIOS in this audit. To close the recommendation, OIOS would like to receive evidence the results of the annual network evaluation for the period ending 31 March 2022.	31/10/2019	02/12/2021
AR2018-167-01 Audit of warehouse management in UNHCR field operations	No. 4. The UNHCR Division of Emergency, Security and Supply, in coordination with the Division of Financial and Administrative Management and the regional bureaux, should: a) strengthen monitoring and oversight arrangements, both in the country operations and at headquarters, over surplus inventory and items beyond shelf life; and b) facilitate disposal by the Representations of the identified obsolete inventory and assist them in the redeployment of identified surplus inventory in a timely manner.	May 2022: The UNHCR Division of Emergency, Security and Supply noted that two reports have been put in place to support UNHCR identification and management of surplus and obsolete inventories: However, OIOS was unable to access the inventory generated surplus report and the inventory items shelf-life report. The Division also did not provide evidence reflecting the action once the exceptions were noted in the two reports.	31/10/2019	31/12/2021

<i>Assignment</i>	<i>Recommendation</i>	<i>Last update</i>	<i>Estimated implementation date</i>	<i>Revised estimated implementation date</i>
AR2018-111-01 Audit of UNHCR operations in Uganda	No. 6. The UNHCR Representation in Uganda, in coordination with the Bureau for Africa, should: (a) with the assistance of technical experts continue to implement arrangements for sustainable water supply, including consideration to integrate refugee water needs into Government programmes; (b) ensure that the task force completes its work expeditiously in order to resolve disputed amounts with the vendors, in consultation with the Legal Affairs Service; and (c) ensure that the resulting expenditure and liabilities are correctly estimated and recorded in MSRP.	June 2021: The Legal Affairs Service has committed to reach out to OIOS to clarify the outstanding issues. OIOS awaits a further update.	31/12/2019	31/12/2021
AR2019-111-05 Audit of UNHCR operation in Kenya	No. 1 The UNHCR Representation in Kenya should develop and implement an action plan that (i) provides solutions to the different population groups in Dadaab; (ii) addresses programme inefficiencies identified in the audit; and (iii) ensures risk management is integrated in operational management and decision-making.	January 2021: To close the recommendation, OIOS would like to receive evidence that: (i) planned actions have been taken to provide solutions to the different population groups in Dadaab; (ii) programme inefficiencies identified in the audit have been addressed; and (iii) key risks to the Kenya operation are systematically identified and actively monitored for mitigation by management in all three locations	30/06/2020	Not provided
AR2019-166-02 Audit of technology obsolescence at UNHCR	No. 2. The UNHCR Division of Information Systems and Telecommunications, in consultation with other relevant divisions, should address the growing obsolescence of information and communications technology equipment by seeking management approval for: (a) a leading role for the Division in the planning and budgeting of such equipment and, (b) a centrally managed capital fund for procuring ICT assets.	June 2022: The UNHCR Division of Information Systems and Telecommunications was not allocated any additional funding for obsolete ICT equipment replacement. For the 2023-2024 budget period, the Division has again requested the creation of an ICT Capital Fund.	30/06/2020	30/09/2023