OFFICE OF INTERNAL OVERSIGHT SERVICES

Internal audit in the Office of

the United Nations High Commissioner for Refugees

for the period from

1 July 2019 to 30 June 2020 (A/AC.96/1203)

INTRODUCTION

- OIOS provides internal audit services to UNHCR in accordance with the relevant GA resolutions, United Nations Financial Regulations and Financial Rules for Voluntary Funds, Secretary-General's Bulletin and a Memorandum of Understanding with UNHCR.

- During the reporting period:

  - OIOS had sufficient resources (budget and staffing), and

  - Did not experience any inappropriate interference in determining the scope of internal auditing in performing the work and/or in communicating results that would have impeded the independence of the OIOS internal audit function at UNHCR.

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AUDIT DURING COVID-19 CRISIS

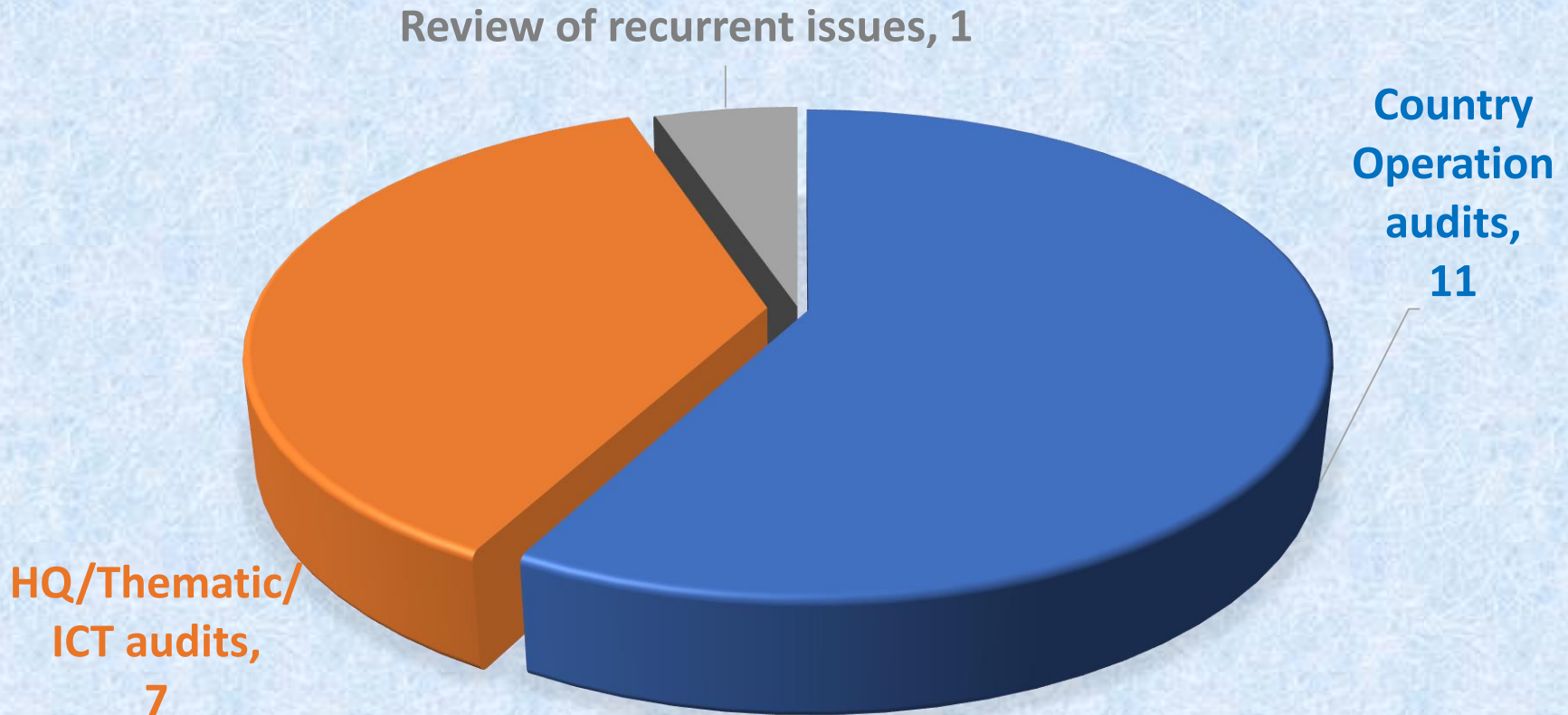The outbreak of the COVID-19 pandemic resulted in some delays in completing ongoing engagements.

In April 2020, OIOS repurposed its audit workplan, after discussions with UNHCR management, to focus on emerging higher-risk areas:

- Supply chain management

- Partnership management

- Remote monitoring of programmes

- Cash-based interventions

- Distribution of core relief items in the context of the COVID-19 emergency

OIOS postponed the start of other engagements, which will either start later in the year or be postponed until 2021.

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Review of recurrent issues, 1

Country Operation audits, 11

HQ/Thematic/ICT audits, 7

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FIELD AUDITS
Systemic issues in audits of field operations

Protection:
11 recommendations
- Child protection
- Preventing and combatting SGBV
- Registration
- Durable solutions

Cash Based Intervention (CBI):
9 (1 critical and 8 important) recommendations
- CBI strategy and related SOPs
- Needs assessment for CBI
- Controls over targeting of beneficiaries
- CBI design and delivery modalities
- CBI monitoring system
- Reconciliation of all cash payments
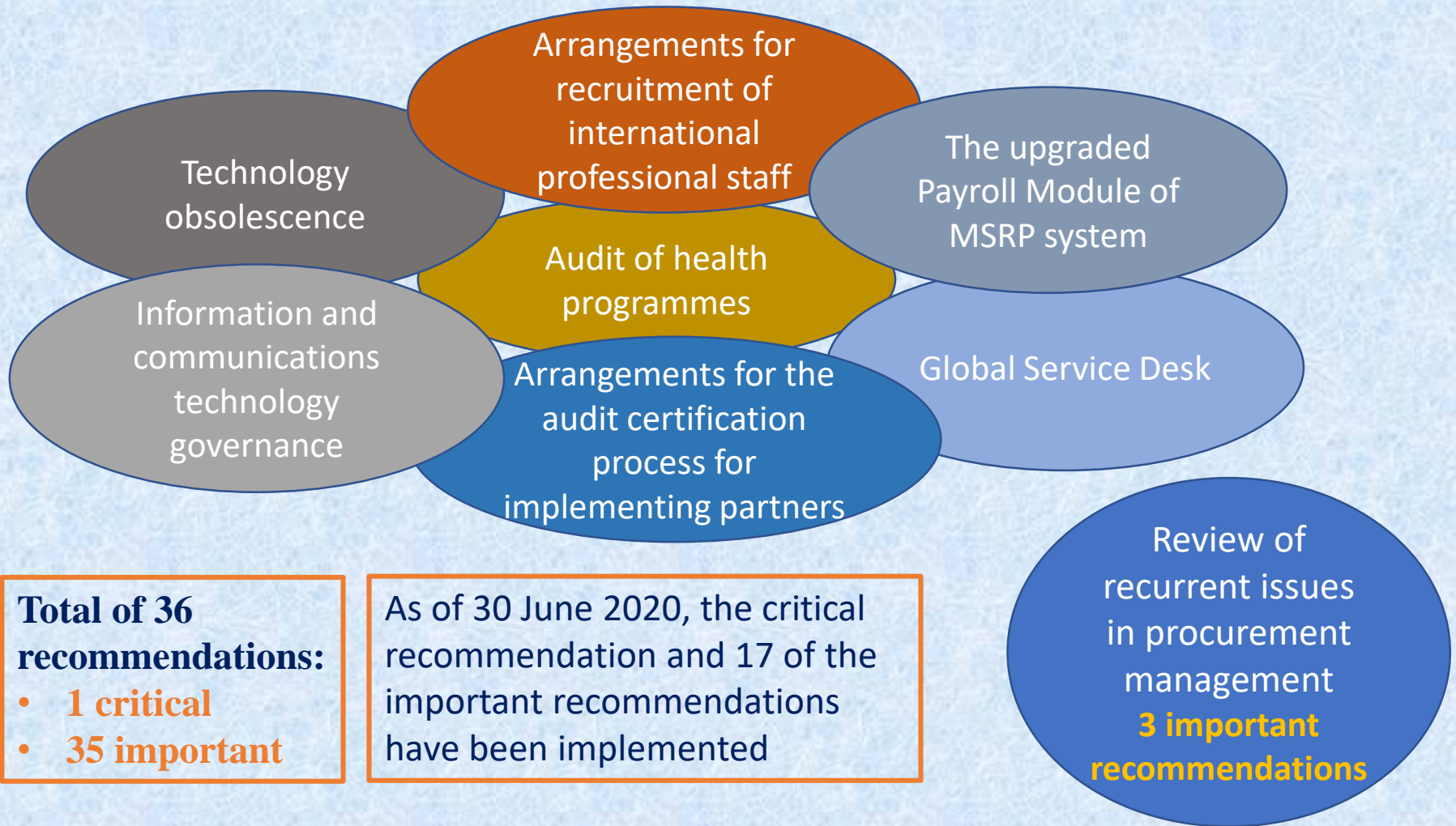
Partnership management:
7 recommendations
- Partner selection and retention,
- Preparation of project partnership agreements
- Monitoring of partners
- Project performance management
- The designation of procurement to partners

Procurement and supply chain management: 6 recommendations
- Procurement planning
- Vendor performance management
- Contract management
- Staffing for the supply function
- Management of security and fuel contracts.

5

Arrangements for recruitment of international professional staff

Technology obsolescence

The upgraded Payroll Module of MSRP system

Audit of health programmes

Information and communications technology governance

Arrangements for the audit certification process for implementing partners

Global Service Desk

Review of recurrent issues in procurement management
3 important recommendations

Total of 36 recommendations:
- **1 critical**
- **35 important**

As of 30 June 2020, the critical recommendation and 17 of the important recommendations have been implemented

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AUDIT RECOMMENDATIONS – New, closed and open audit recommendations

OIOS issued 107 recommendations in the 19 engagements completed:

- 105 recommendations (98 per cent) were important; and
- 2 recommendations (2 per cent) were critical.

During the year, 158 recommendations were closed, including

- 146 which were fully implemented.
- 12 recommendations were closed without implementation.

At the end of the reporting period, 93 recommendations remained open, compared to 145 in the previous period. This was due to:

- OIOS issued a reduced number of recommendations in the current reporting period compared to the previous year mainly due to some delays in issuing final reports due to COVID-19 and the repurposing of the work plan to focus on advisory activities.

- Strong initiatives taken by UNHCR to address the backlog of past due recommendations.

- A total of 17 open recommendations (of which two critical) were over 2 years old as at 30 June 2020. This is a reduction as compared to last year, where 32 were outstanding for over 2 years. All 17 recommendations are in the process of being implemented. Of these 17 recommendations, 5 of them were critical.

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SAVINGS AND RECOVERIES

- The implementation of a recommendation from the audit of the use of telecommunication devices and telecommunication expenditure control and billing resulted in a saving of nearly $577,000.

- Further recoveries totalling almost $500,000 resulted from the implementation of recommendations from another five audit engagements.

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INTERACTION WITH UNHCR and IAOC

- Attendance in three IAOC meetings

- IAOC's appreciation on the repurposed COVID-19 related audit and advisory engagements

- IAOC's appreciation on actions taken by OIOS on IAOC's previous requests to quantify the link between the OIOS work plan and UNHCR's risk register

OIOS met with
- the High Commissioner,
- the Deputy High Commissioner,
- the Assistant High Commissioner for Protection,
- the Assistant High Commissioner for Operations
- the Chef de Cabinet to discuss matters relating to audit and oversight, and
- Directors of Regional Bureaux and Divisions and Representatives

OIOS and the IGO continued to work closely on matters related to
- Effective collaboration and communication with UNHCR management
- Recurrent audit issues and their root causes
- UNHCR's internal oversight architecture
- Issues arose during audit referred to IGO
- Follow up on earlier referrals

Periodic meetings were held with
- the Controller and Director of DFAM,
- the Chief Risk Officer,
- the Head of the Ethics Office,
- the Principal Policy Adviser in the Executive Office, and
- the Head of the Legal Affairs Service

9

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THANK YOU

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UNHCR Audit Service, OIOS