

UN Board of Auditors
Audit Report 2020
for UNHCR Standing Committee

15 September 2021

Content

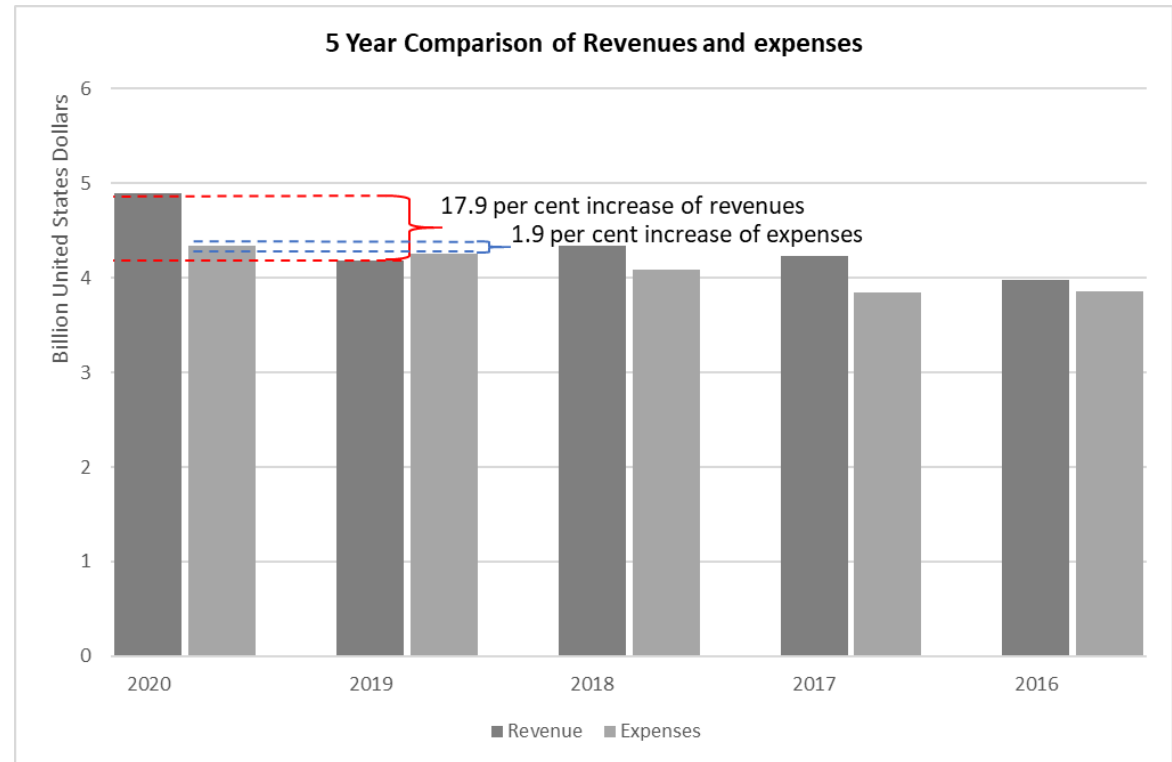
- Audit opinion
- Highlights from the Financial report
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- New recommendations by subjects
- Comparison of recommendations by subject

Audit Opinion

- The Board issued an unqualified audit opinion
- The financial statements present fairly, in all material respects, the financial position of the voluntary funds administered by UNHCR as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with IPSAS

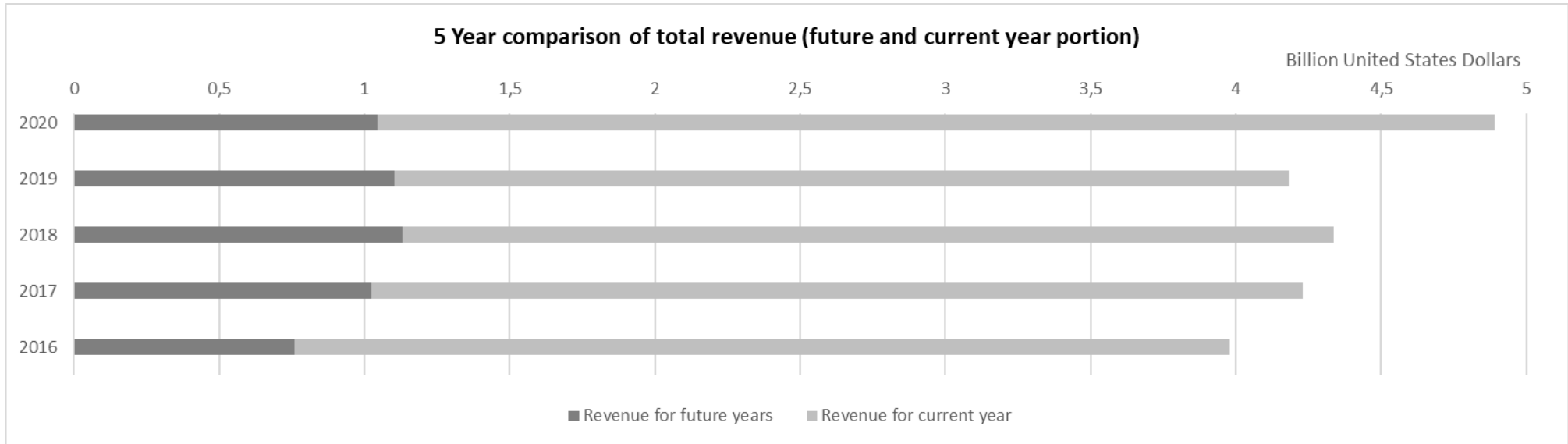
Highlights from the financial report

- Voluntary contributions increased by \$734 million (17.9 per cent)
- Expenses slightly increased by \$174 million (1.9 per cent)
- Surplus of \$554 million compared with deficit of \$75 million in 2019



Highlights from the financial report (cont'd)

- 2020 revenues include \$1,045 million for future years



Board of Auditors findings - 1

- COVID-19 response
 - needs assessment, receipt and distribution of COVID-19 items not aligned
 - country operations did not make use of distribution plans
 - no overview of distributed, planned and available COVID-19 response items was provided

Board of Auditors findings - 2

- Decentralization and regionalization
 - review of the framework of roles, accountabilities and authorities still ongoing
 - draft road map for the D&R process in principle endorsed, but steps not yet achieved
 - main task of headquarters' alignment not yet included in the road map

Board of Auditors findings - 3

- Budget and finance
 - replacement of pillar structure by “impact areas” and revision of financial rules¹⁾ require assurance on transparency and quality of reporting data
 - variance analysis needs to be enhanced by including benchmarks and accumulated financial information
 - UNOPS processes need to be reviewed to avoid uneconomical pre-financing

¹⁾ from 1 January 2022

Board of Auditors findings - 4

- Cash assistance to beneficiaries
 - shortcomings in data quality checks of cash payment lists transmitted to financial service providers
 - improvements in end-to-end data management in CashAssist needed
 - shortcomings in applicable guidance for determination of cash transfer values

Board of Auditors findings - 5

- Implementing partnership management
 - lack of consolidated, comprehensive guidance material on implementing partnership management processes
 - new results-based management processes require revision of personnel monitoring and reporting mechanisms
 - opportunity to embed enhanced tools in upcoming guidance material

Board of Auditors findings - 6

- Human resources management
 - shortcomings in functionality of new developed workforce planning dashboards
 - strategic workforce planning framework and strategy not yet available
 - lack of analysis by country operations on existing workforce and future demand

Board of Auditors findings - 7

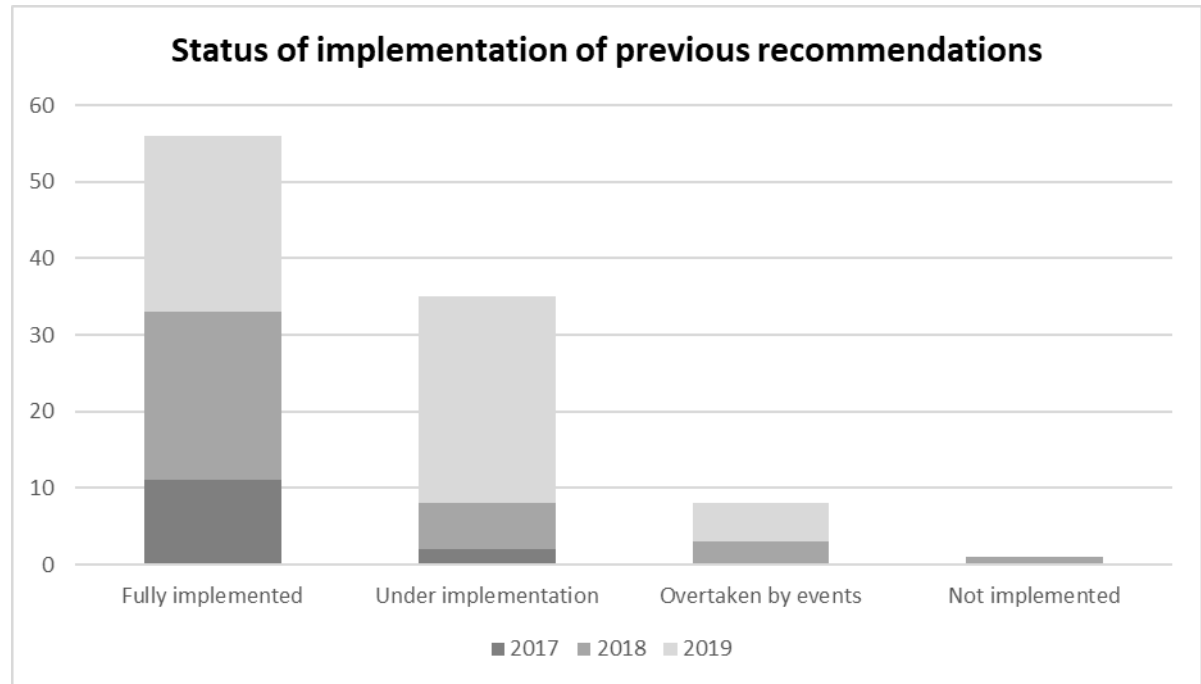
- Global fleet management
 - overall poor quality of data or missing entries for significant number of fleet management data sets
 - recording of data and tools for data capturing need to be improved

Board of Auditors findings - 8

- Business transformation programme
 - budget increase from around \$82 million to \$95 million (14 per cent) in Q1 2021
 - programme complexity (best-of-breed solution; numerous external providers)
 - focus on coordinated budget overview in upcoming implementation phases needed
 - related risks not sufficiently considered in risk registers (operational; strategic)

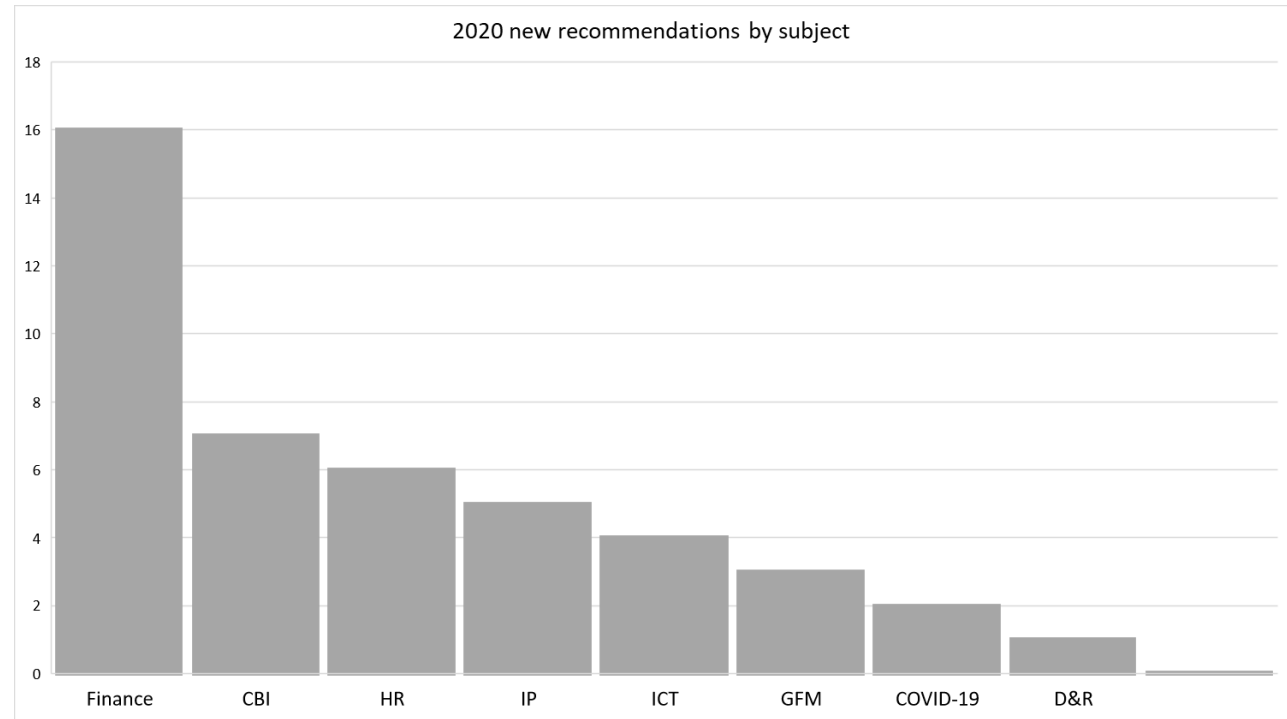
Follow-up of previous recommendations

- 100 outstanding recommendations:
- 56 implemented
- 35 under implementation
- 8 overtaken
- 1 not implemented



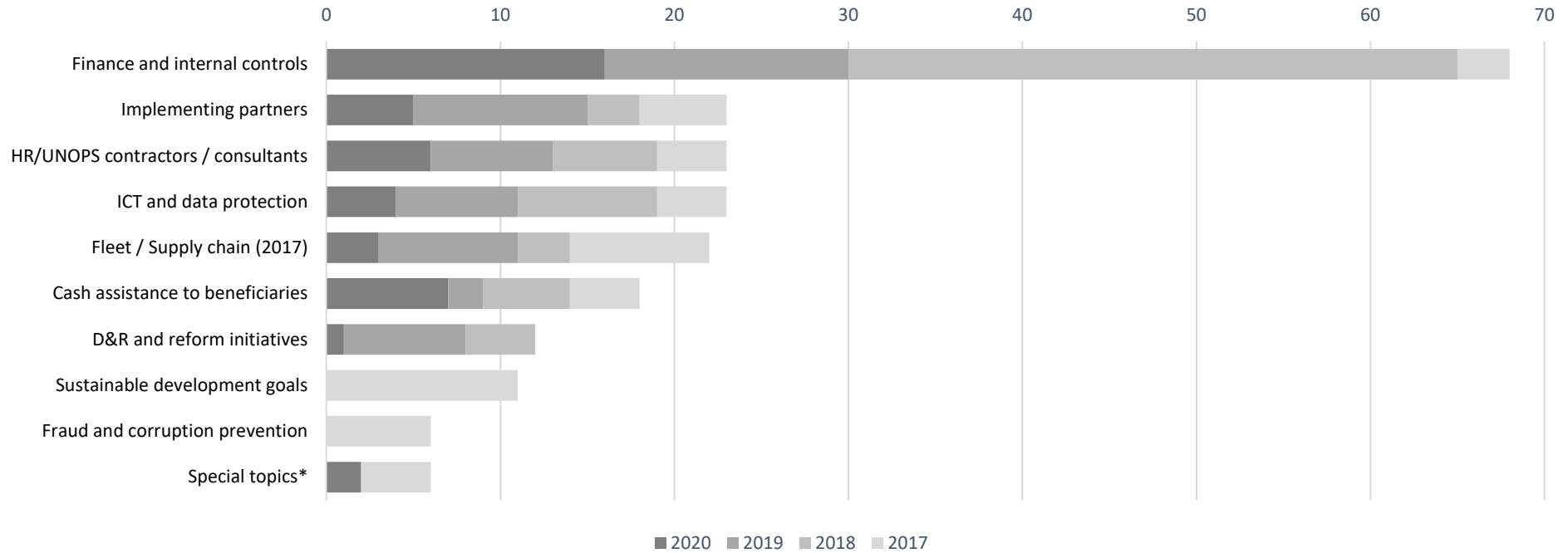
New recommendations (2020) by subject

- 44 new recommendations
- UNHCR agreed with all new recommendations



Comparison of BoA recommendations

Comparison of BoA recommendations 2017-2020 by subject



* 2017: Accessibility and travel; 2020 COVID-19 response

Thank you!