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## Executive Committee of the High Commissioner's Programme

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Item 4 (b) of the provisional agenda

### Consideration of reports 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 2023 to 30 June 2024

### 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 in respect of the Office of the United Nations High Commissioner for Refugees, covering the period from 1 July 2023 to 30 June 2024. 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

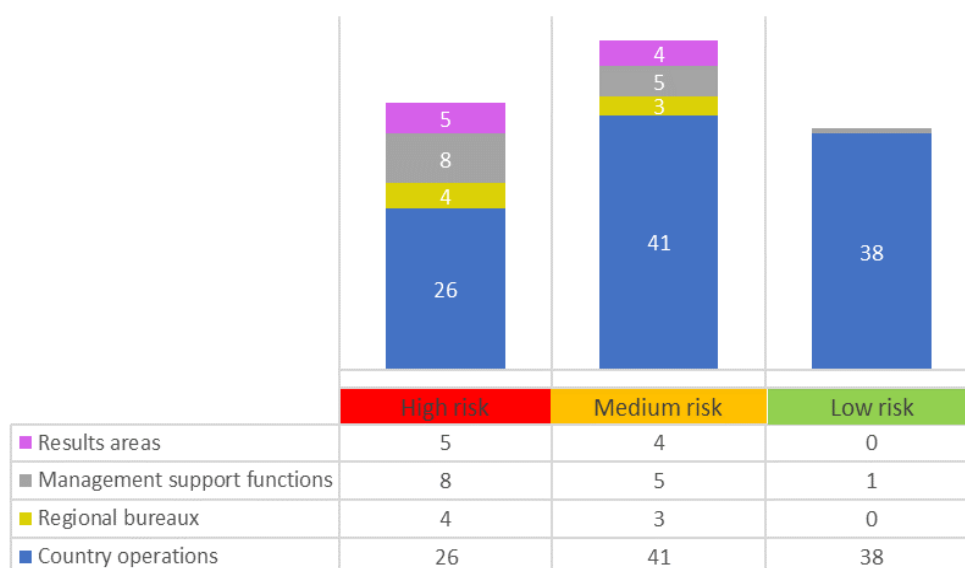
1. The internal audit function of the Office of the United Nations High Commissioner for Refugees (UNHCR) is provided by the Office of Internal Oversight Services (OIOS) in accordance with the relevant resolutions of the General Assembly, the United Nations financial regulations and the financial rules for voluntary funds administered by the High Commissioner for Refugees. OIOS was established by the General Assembly pursuant to resolution [48/218B](#).
2. The present report provides an overview of internal audit activities of UNHCR conducted by OIOS during the period from 1 July 2023 to 30 June 2024. Internal audit reports issued during the period were published on the OIOS webpage in accordance with General Assembly resolution [69/253](#).
3. From 1 July 2023 to 30 June 2024, OIOS completed 25 audit engagements for UNHCR.

## II. Internal audit strategy and results

### A. Strategy

4. Internal audit provides assurance on the adequacy and effectiveness of governance, risk management and controls to ensure the achievement of organizational objectives. OIOS applies a risk-based approach to prioritize its activities in the areas of greatest risk for UNHCR and where internal audit will be the most cost-effective.
5. OIOS aligns its risk-based work planning process with the UNHCR strategic and country-level risk assessment. In planning its activities, OIOS also considers the oversight work done by other 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. On that basis, OIOS rates the components of the UNHCR audit universe<sup>1</sup> (see figure I) and develops the internal audit annual plan.

Figure I  
**OIOS rating of UNHCR audit universe components for the period 2024-2026**



<sup>1</sup> The UNHCR audit universe is comprised of 105 country operations, 7 regional bureaux, 14 headquarters processes and 9 programme areas.

6. The activities in this report are part of a three-year rolling plan that supports effective resource planning and provides some flexibility to account for changes in the UNHCR environment. The audit strategy of OIOS, endorsed by the Independent Audit and Oversight Committee, provides that activities rated as high and medium risk be audited every three and five years, respectively. Limited scope reviews are conducted every five years for low-risk activities.

7. The ability of OIOS to fully apply this audit strategy has been impacted by inadequate resources from UNHCR in the reporting period. As a result, the audit workplan during the reporting period was adjusted by cancelling five planned audits for the field operations in El Salvador, Greece, Romania, Uganda, as well as the multi-country office in Côte d'Ivoire. All operations had been assessed as medium risk, except Uganda, which had been assessed as high risk. These audits will be reconsidered as part of the 2025 annual work planning process. Additionally, OIOS has continued to use remote working modalities whenever feasible and effective to economize on travel expenditure.

8. An external quality assessment of the OIOS internal audit function was also completed during the reporting period, with an independent panel rating OIOS as in "General Conformance" (the highest rating given) with the International Professional Practices Framework of the Institute of Internal Auditors.

## B. Audit coverage

9. OIOS completed 25 audit engagements during the reporting period, comprising: (a) 9 headquarters, thematic and information and communications technology audits; (b) 4 reports to field-based entities presenting substantive findings identified during the thematic audits conducted in 2023; (c) 2 regional bureaux audits; and, (d) 10 country operations audits (see annex I).

10. Table 1 shows the number of audit and advisory engagements completed over the last three years together with the internal audit coverage distribution between headquarters/thematic/information and communications technology audits and audits of field operations. During the reporting year, OIOS placed greater emphasis on audits of headquarters functions and regional bureaux (that is, the centralized, business-enabling functions responsible for enterprise risk identification, risk response through strategy, policy and systems development, and organization-wide performance monitoring and reporting), while also maintaining the audit of high-risk country operations.

Table 1  
Number and coverage of OIOS activities for the period 1 July 2021 to 30 June 2024

	<i>Headquarters, thematic and information and communications technology audits</i>	<i>Regional bureaux audits</i>	<i>Country operations audits</i>	<i>Advisories</i>	<i>Total</i>
2023-2024	13	2	10	0	25
2022-2023	2	0	12	4	18
2021-2022	6	0	12	1	19

11. The headquarters, thematic and information and communications technology audits covered as follows:

(a) Headquarters audits and information and communications technology audits: fleet and fuel management (2023/026); management of funded partnerships with government entities (2024/009); affiliate workforce arrangements (2023/090); cybersecurity preparedness (2023/094); supply chain management for information and communications technology equipment (2023/067); and, progress in implementing the business transformation programme (2024/011).

(b) Thematic audits: prevention, risk mitigation and response to gender-based violence (2023/076); livelihoods programmes (2023/085); and, mandate refugee status determination processes (2023/092). Additionally, OIOS issued four reports to field-based entities (Malaysia, Rwanda, Uganda, as well as the multi-country office in South Africa), with substantive findings identified during the thematic audits conducted in 2023.

12. The 10 field operation audits covered a total expenditure of \$903 million,<sup>2</sup> as shown in table 2. This represented 20 per cent of the expenditure incurred during 2023 for all UNHCR field operations.

Table 2  
**Expenditure of field operations\* audited over the last three reporting periods**

<i>Region</i>	<i>Total expenditure (US\$ millions)</i>	<i>Expenditure in audited operations (US\$ millions)</i>	<i>Percentage 2023-2024</i>	<i>Percentage 2022-2023</i>	<i>Percentage 2021-2022</i>
Europe	1,033	653	63%	9%	1%
Middle East and North Africa	992	111	11%	44%	16%
East and Horn of Africa and Great Lakes	882	0	0%	5%	49%
Asia and the Pacific	564	0	0%	23%	1%
West and Central Africa	466	106	23%	17%	18%
Americas	350	18	5%	6%	6%
Southern Africa	179	15	8%	13%	7%
<b>Total</b>	<b>4,466</b>	<b>903</b>	<b>20%</b>	<b>19%</b>	<b>19%</b>

\* Does not include field operations that were covered under thematic audits because of the limited scope.

13. The 10 country operations audits during the reporting period brought the total number of countries in which audits were conducted over the last three reporting periods to 42. This number included 11 of the 26 country operations assessed by OIOS as being of higher risk. The 2024 workplan includes audits for 12 other high-risk country operations, while the remaining 3 are scheduled for inclusion in the 2025 and 2026 workplans. Table 3 reflects the field operations audited in the last three reporting periods.

Table 3  
**Number of country operations\* covered over the last 3 reporting periods, per latest risk assessment level**

<i>Region</i>	<i>High risk</i>	<i>Medium risk</i>	<i>Low risk</i>	<i>Total</i>
Europe	1	4	6	11
Middle East and North Africa	3	1	-	4
East and Horn of Africa and Great Lakes	3	2	-	5
Asia and the Pacific	1	1	7	9
West and Central Africa	3	3	-	6
Americas	-	3	-	3
Southern Africa	-	4	-	4
<b>Total</b>	<b>11</b>	<b>18</b>	<b>13</b>	<b>42</b>

\* Some countries may have been covered in one single audit report issued. Also, some countries operations may have been covered in several audit reports issued in the last three reporting periods.

<sup>2</sup> This relates to 2023 expenditure for the respective field operations.

## C. Analysis of recommendations

14. During the reporting period, OIOS issued 160 recommendations. UNHCR accepted all recommendations and initiated action to implement them, with 41 already implemented and closed by 30 June 2024. A further analysis of recommendations issued per audit assignment is provided in annex I.

15. UNHCR attributed the audit findings of performance and control weaknesses to the high inherent risk of operating in challenging contexts with insufficient resources (funding and staff). OIOS is of the view that, in addition, gaps in results and controls observed in the audits were due to: (a) non-compliance by staff with UNHCR policies and procedures; (b) weaknesses in selected partners' implementation of programme activities; and, (c) inadequate support and oversight by the responsible headquarters divisions and regional bureaux.

16. As of 30 June 2024, 145 recommendations remained open, of which 52 (36 per cent) had passed their target implementation date. Overall, there has been an improvement in the number of recommendations that are passed their target date (36 per cent as of 30 June 2024 compared to 77 per cent as of 30 June 2023). OIOS continues to work with UNHCR management to ensure the timely implementation of recommendations. Table 4 reflects the number of recommendations issued over the last three reporting periods and the outstanding recommendations as of end of each reporting period.

Table 4

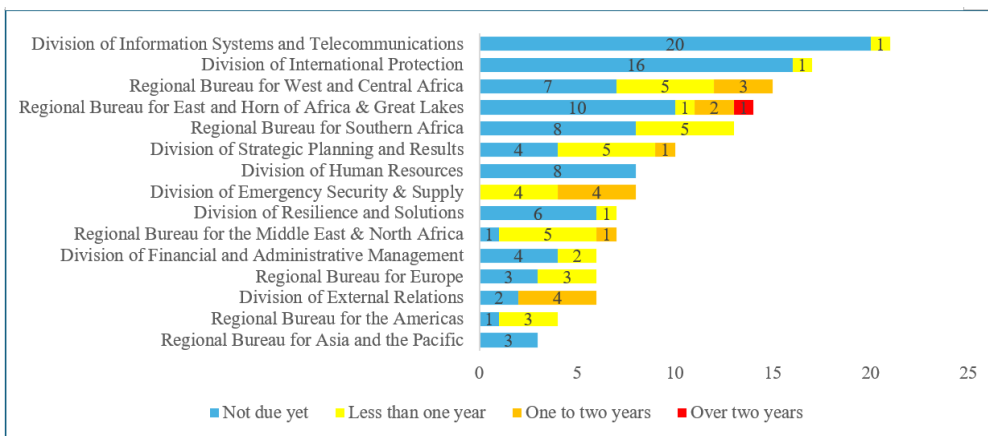
### Recommendations issued over the period 1 July 2021 to 30 June 2024

	2021–2022	2022–2023	2023–2024
Number of audits*	18	14	25
Recommendations open at 1 July	88	137	111
Issued during the reporting period	105	92	160
<b>Total</b>	<b>193</b>	<b>229</b>	<b>271</b>
Closed during the reporting period	(56)	(118)	(126)
Open as of 30 June	137	111	145
<b>Past due date</b>	<b>58</b>	<b>85</b>	<b>52</b>
<b>Percentage of recommendations past their due date on 30 June</b>	<b>58%</b>	<b>77%</b>	<b>36%</b>

\* Advisories are not included.

17. Figure II reflects the ageing of open recommendations on 30 June 2024 per target date. The Division of Information Systems and Telecommunications and the Division of International Protection have a large number of outstanding recommendations because of five audits that were issued during the reporting period. Most of these recommendations are not yet due.

Figure II  
Ageing of open recommendations as of 30 June 2024

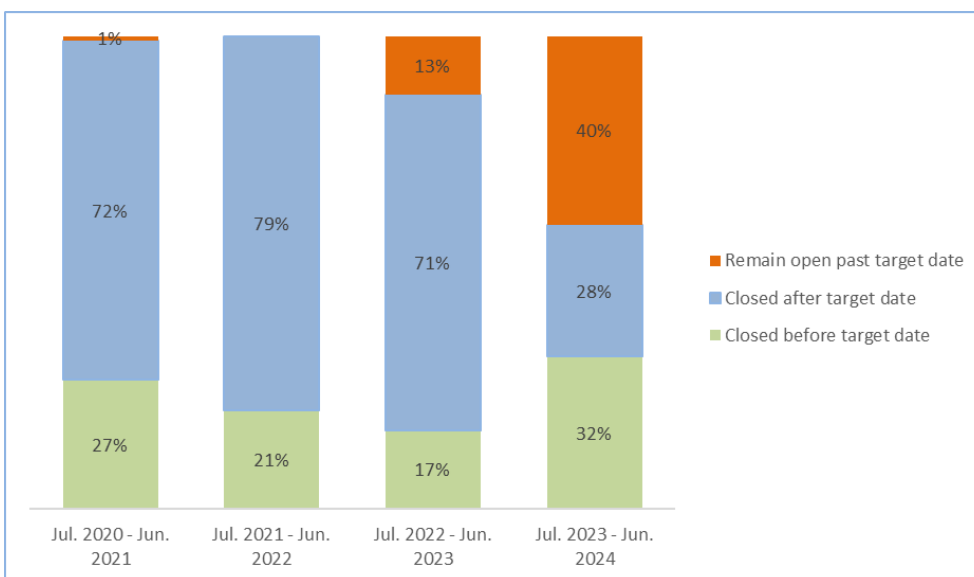


18. There were 18 long outstanding recommendations as of 30 June 2024. These comprised: (a) 16 recommendations that have exceeded the target date for more than 12 months; and, (b) 2 recommendations that have been open for over 2 years (one of which is not yet due, and another that is past its target date by less than a year). Further details on these recommendations are contained in annex II. OIOS has reconfirmed with UNHCR management the continued validity of the findings that resulted in these recommendations and reiterated the need to ensure implementation.

19. OIOS noted that recommendations related to field operations were often recurring. This indicates a high residual risk in certain activities in field operations, requiring stronger monitoring and control systems, as well as management and staff capacity-building. OIOS will continue to conduct both compliance and performance audits to address the risks to be mitigated.

20. Figure 3 represents the timeliness of implementing recommendations that were due in the different reporting periods (i.e. July 2020 to June 2024). There has been an improvement in the number of recommendations closed before the target dates.

Figure III  
Trend in implementing audit recommendations (with target implementation date July 2020-June 2023)



## D. Savings and recoveries

21. During the reporting period, recoveries for losses worth \$236,000 were reported by UNHCR in connection with three OIOS recommendations pertaining to audits of operations in Bangladesh (2022/076) and Uganda (2018/097).

## III. Summary of internal audit activities

22. UNHCR has identified 13 strategic risks (in 8 categories)<sup>3</sup> at the organizational level that need to be mitigated in order for objectives to be achieved more effectively. Gaps and areas of improvement relevant to each of these 13 strategic risks identified by OIOS in the 25 assignments are presented below.

### A. Protection environment and protection role

#### UNHCR mandate implementation in the changing humanitarian and security context

##### (a) Protect

23. As in prior reporting periods, protection remains the highest-rated risk identified at the level of field operations and regional bureaux. Asylum-seekers' access to territories is primarily impacted by the lack of or gaps in legal frameworks meant to recognize refugees in line with the 1951 Convention relating to the Status of Refugees and its 1967 Protocol. Audits conducted in the multi-country offices in Cameroon (2023/037) and Panama (2023/084) noted that countries were at different stages of establishing legal frameworks, and this impacted the protection of displaced persons in various country contexts. This necessitated reinforced advocacy with the relevant governments.

24. Registration, refugee status determination and documentation are precursors to displaced persons' access to assistance and durable solutions. However, despite the support UNHCR provided to these processes, significant backlogs were noted in the thematic audit on mandate refugee status determination (2023/092), as well as in audits conducted in Angola (2023/042), the Congo (Republic of) (2023/057), Malaysia (2024/024), the Niger (2023/100), Rwanda (2024/025), the multi-country offices in Panama (2023/084 and South Africa (2024/021), as well as in Bulgaria, Croatia, France, Germany and the United Kingdom of Great Britain and Northern Ireland (2023/103). The backlogs impacted the protection that asylum-seekers received and their access to services and solutions. It also reduced the credibility of government asylum systems.

25. The thematic audit of the management of the prevention of and response to gender-based violence in UNHCR (2023/076), as well as field audits of the Niger (2023/100), Yemen (2023/091), as well as the multi-country office in Cameroon (2023/037), also identified key challenges in implementing the prevention of and response to gender-based violence due to gaps in the strategic planning of operations, inter-agency and sector coordination, case management execution, and reporting of related programme data. This had an impact on the delivery of services and assistance to survivors of gender-based and also affected their recovery from its long-term effects.

##### (b) Respond

26. Audits of field operations in the Congo (Republic of) (2023/057), the Niger (2023/100), Yemen (2023/091), as well as the multi-country office in Cameroon (2023/037), noted that despite the advocacy efforts of UNHCR, the increased integration of displaced persons into national systems was not realized. This was caused by governments' insufficient capacity and resources to support displaced persons who remained heavily dependent on UNHCR assistance to fulfill their basic needs. Therefore, this impacted the anticipated

<sup>3</sup> UNHCR Strategic Risk Register, updated March 2024.

transition of UNHCR from providing assistance to supporting displaced persons in finding sustainable solutions and achieving self-reliance.

27. All field audits conducted during the period covered in this report identified gaps in the timeliness and quality of services provided to displaced persons. For instance, displaced persons in Angola (2023/042), the Congo (Republic of) (2023/057) and the multi-country office in Cameroon (2023/037) did not have access to quality health services, and experienced high levels of malnutrition, morbidity and mortality rates. The limited coverage and poor quality of shelters provided to displaced persons in Yemen (2023/091) meant that they were not adequately protected from the elements and lacked privacy and emotional security.

28. UNHCR also delivered services to displaced persons through cash assistance and the distribution of non-food items. Decisions by operations in the Congo (Republic of) (2023/057), the Niger (2023/100), Yemen (2023/091), as well as the multi-country office in Cameroon (2023/037), to continue distributing non-food items was costly and contravened the UNHCR directive on cash assistance as the preferred mode of service delivery. The audit of cash management in Ukraine (2023/043) identified the need for UNHCR to integrate CashAssist – the UNHCR cash assistance management system – with its other corporate systems, reinforce its management of financial service providers, and implement measures to detect and prevent duplicate payments.

29. Further, the audits conducted in the Congo (Republic of) (2023/057), the Niger (2023/100), Ukraine (2023/043, 2023/044, 2023/045), Yemen (2023/091), as well as the multi-country offices in Cameroon (2023/037) and Panama (2023/084), identified gaps in the effectiveness of cash and non-food item programmes. This was due to: (a) inadequate support provided to displaced persons; (b) limited targeting of the most vulnerable; (c) inadequate monitoring to ensure that support reached the intended beneficiaries; and (d) poor safeguarding and accountability for non-food items and cash.

**(c) Empower**

30. The thematic audit of livelihood programmes (2023/085) highlighted the importance of the support of UNHCR for livelihood programmes for refugees. While the audit recognized the increased engagement of UNHCR with key stakeholders to foster the economic inclusion for refugees, it also identified the need to map livelihood activities conducted by different agencies to address duplications in programming and beneficiaries. Audits conducted in Angola (2023/042), the Niger (2023/100), Rwanda (2024/025), Uganda (2024/027), as well as the multi-country office in Cameroon (2023/037), highlighted gaps in the strategic planning, management and monitoring of livelihood programmes. Thus, the livelihood interventions did not achieve the desired impact of increasing self-reliance and resilience of displaced persons, and reducing their dependence on UNHCR assistance.

**(d) Solve**

31. Audits conducted in Angola (2023/042) and Yemen (2023/091) noted that UNHCR continued to face challenges in finding long-term solutions for displaced persons. This was due to: (a) the unwillingness of displaced persons to repatriate to their countries of origin; (b) limited available quotas for resettlement in third countries; and (c) limited opportunities for local integration of displaced persons in host countries. The limited available solutions left displaced persons dependent on UNHCR and other humanitarian actors for assistance. This was not sustainable considering the financial constraints faced by the organization.

## **B. Strategic partnerships**

### **1. The implementation role of UNHCR in the Global Compact on Refugees**

32. In 2018, the United Nations General Assembly affirmed the Global Compact on Refugees as a framework for more predictable and equitable responsibility-sharing to refugee situations. The audit of the management of funded partnerships with government entities (2024/009) identified gaps in the government coordination with key stakeholders in



providing protection, assistance and sustainable solutions to forcibly displaced persons. Also, although the objectives of the Global Compact on Refugees were reflected in the strategic plans for Angola (2023/042), the Congo (Republic of) (2023/057), the Niger (2023/100), as well as the multi-country office in Cameroon (2023/037), limited progress was reported in mainstreaming services for displaced persons into national systems as well as responsibility-sharing.

33. Many pledges made by different stakeholders to advance the objectives of the Global Compact on Refugees remained outstanding in the reporting period. The audits of the Regional Bureau for southern Africa (2023/059) and the Regional Bureau for the East and Horn of Africa and the Great Lakes (2023/025), as well as the operation in Angola (2023/042), showed that 90 per cent of the pledges remained unfulfilled on average. These audits called for increased headquarters and regional bureaux oversight and support to field operations to scale up the fulfilment of outstanding pledges.

## **2. Serving affected populations through accountable partnerships**

34. UNHCR heavily relied on implementing partners to deliver services to displaced persons. UNHCR implemented new procedures as well as a digital platform (known by its acronym PROMS) to strengthen control on partnership management and improve partners' programme performance. However, the new system and procedures were not yet fully embedded during the reporting period.

35. The audit of the management of funded partnerships with government entities by UNHCR (2024/009) noted that field operations faced challenges in managing government partners. These included: (a) poor delivery of services; (b) heightened involvement of government partners in UNHCR operations; (c) the creation of parallel structures which escalated costs borne by UNHCR; (d) pervasive non-compliance with partnership agreements; and (e) improper use of funds. UNHCR needed to reinforce its strategic direction on field operations and their engagement with governments, and strengthen its control framework to address risks which are unique to government entities.

36. Audits conducted in multi-country offices in Cameroon (2023/037) and in Panama (2023/084), the Niger (2023/100) and Yemen (2023/091) identified gaps in the selection, contracting, management and monitoring of implementing partners in field operations. This impacted the timeliness and quality of services delivered to displaced persons. Most partner costs were spent on salaries and administration costs, leaving limited resources available for service delivery. These issues reflected the need to strengthen capacity of programme units at field level that were responsible for partnership management.

## **C. Emergency preparedness and response**

37. The number of countries facing emergencies due to political instability and natural disasters continued to increase during the reporting period, with a related risk identified in the strategic risk register. Emergency-related risks were rated second in the top 10 risks identified by field operations, calling for stronger emergency preparedness to ensure a more effective response.

38. The audits of the Regional Bureau for the East and Horn of Africa and the Great Lakes (2023/025) and the Regional Bureau for southern Africa (2023/059) noted that the response was constrained by inadequate emergency preparedness and gaps in oversight and support from the entities responsible for mobilizing resources, deploying response teams and ensuring access to affected populations. Consequently, most displaced persons did not receive timely assistance following displacement.

39. The audits of the response to the Ukraine crisis (2023/043, 2023/044, 2023/045) by UNHCR noted that UNHCR rapidly scaled up its operations and set up processes to support four operations in Poland, the Republic of Moldova, Slovakia and Ukraine in the delivery of services to displaced persons. Controls over the management and distribution of cash assistance and non-food items was adequate, although recommendations were made to

strengthen related systems and processes to ensure assistance is provided to all intended beneficiaries when needed.

40. Widespread and multiple displacements led to exponential increases in internal displacement, as was noted in the audits conducted in Ukraine (2023/043, 2023/044, 2023/045) and Yemen (2023/091). This called for strong UNHCR coordination with other stakeholders under the cluster approach to meet the needs of internally displaced persons. However, as noted in the audits of the Congo (Republic of) (2023/057), Yemen (2023/091), as well as the multi-country office in Cameroon (2023/037), governments lacked the necessary capacity and resources to lead this coordination, which had an impact on the operationalization of clusters and left UNHCR to provide services to internally displaced persons as an “implementer of last resort”, despite its already limited resources.

## **D. Funding**

### **Quality funding to meet the critical minimum needs of persons forced to flee**

41. All audited field operations received between 35-50 per cent of their operating plan budget during the reporting period. The funding situation was exacerbated by the increasing number of displaced persons and the lack of sufficient support from other stakeholders like governments. Further, staff and administrative costs in Angola (2023/042), the Congo (Republic of) (2023/057), as well as the multi-country office in Cameroon (2023/037), did not reduce proportionally with funding levels, thereby further negatively impacting funds available for operations. This significantly limited the organization’s delivery of services to displaced persons during the reporting period. To meet the ever-increasing needs of displaced persons with the available resources, operations had to better prioritize needs, reinforce resource allocation to areas of strategic priority, target the most vulnerable and ensure increased efficiency.

42. The audits of the Regional Bureau for southern Africa (2023/059) and the Regional Bureau for the East and Horn of Africa and the Great Lakes (2023/025) noted that funding was heavily earmarked to reflect donor preferences, particularly to emerging situations like Ukraine. Thus, operations with protracted caseloads like Angola (2023/042), the Congo (Republic of) (2023/057) as well as the multi-country office in Cameroon (2023/037) were not prioritized for funding by major donors. This impacted the flexibility of UNHCR to use resources according to its most pressing needs. It also resulted in an inequitable allocation of budget to displaced persons across different countries. For instance, during the reporting period, funding was skewed towards the emergency response in Ukraine.

43. The audits of the Regional Bureau for Southern Africa (2023/059) and the Regional Bureau for the East and Horn of Africa and the Great Lakes (2023/025) also noted increased vulnerability to funding shortages because of a heavy reliance on a few top donors. This reflected the need to reinforce resource mobilization strategies, guidance and tools to widen the donor base.

44. As funding reduces, UNHCR needs to identify more efficient ways to operate. The organization’s policy frameworks contained controls to drive more efficient processes. However, as was noted in the audits of the Niger (2023/100), Yemen (2023/091), as well as the multi-country offices in Cameroon (2023/037) and Panama (2023/084), there was non-compliance with some of these controls, which impacted operations’ ability to find more efficient ways of operating. This included conducting needs assessments, the identification of comparative advantages and competitive bidding, which resulted in operations holding large vehicle fleets and keeping and/or not utilizing non-food items and serially tracked items in stores.

## **E. Culture and workforce**

### **1. Organization-wide accountability, integrity and ethical conduct**

45. The UNHCR framework on the roles, accountabilities and authorities brought clarity on the roles of headquarters divisions, regional bureaux and field operations during the

reporting period. However, because the roles, accountabilities and authorities were not adapted to the operation contexts, smaller operations like Angola (2023/042) and the Congo (Republic of) (2023/057) could not fully comply with key UNHCR policies. Similarly, the audits of the Regional Bureau for southern Africa (2023/059) and the Regional Bureau for the East and Horn of Africa and the Great Lakes (2023/025) noted that the roles of technical experts at Headquarters, regional bureaux and country levels were standardized and needed further clarification to avoid possible gaps and/or duplications.

46. The UNHCR resource allocation framework delegated authorities for the management of resources. However, the two regional bureaux audits noted that this framework made blanket delegations of authority without considering the operations capacity to implement the delegations responsibly and effectively. Furthermore, this framework did not have mechanisms to hold managers accountable for the use and safeguarding of resources, achievement of results and compliance with policies. UNHCR has initiated plans to develop an accountability framework which will give an overview of the key decision-making and risk management processes UNHCR will use to deliver its mandate. It will also outline the oversight mechanisms in place to ensure compliance with internal controls.

47. The two regional bureaux audits and the thematic audits of gender-based violence (2023/076), livelihoods (2023/085), the supply chain management of information and communication technology (2023/067), affiliated workforce (2023/090) and mandate refugee status determination (2023/092) concluded that the role of responsible Headquarters and centralized functions needing to be clarified to drive wider compliance with established controls and service quality standards, especially in the field. The planned headquarters reform presented an opportunity to recalibrate the roles and responsibilities of the responsible Headquarters and centralized function for enhanced effectiveness.

48. Non-compliance with UNHCR policies was also a common finding in the audits of the supply chain management for information and communications technology equipment (2023/067), as well as in operations in Angola (2023/042), the Congo (Republic of) (2023/057), the Niger (2023/100), Yemen (2023/091), as well as the multi-country office in Cameroon (2023/037). The weakened control environment within which programmes were implemented was exacerbated by the inability to hold staff accountable effectively for their failure to execute their roles.

## **2. Alignment of staff skill sets with requirements needed to meet challenges**

49. Audits conducted in Angola (2023/042), the Congo (Republic of) (2023/057), Yemen (2023/091), as well as the multi-country offices in Cameroon (2023/037) and Panama (2023/084), identified gaps in structures and staff in critical roles as one of the root causes for ineffective programmes. Further, the thematic audits of livelihoods (2023/085), mandate refugee status determination (2023/092) and gender-based violence (2023/076) attributed programme ineffectiveness to gaps in maintaining suitably qualified staff in core functional areas. UNHCR needed to reinforce workforce planning to ensure that operations have optimal structures and staff capacity to deliver on their mandate.

50. Audits conducted in the Congo (Republic of) (2023/057), Yemen (2023/091), as well as the multi-country offices in Cameroon (2023/037) and Panama (2023/084), also identified issues regarding the composition of staff, with some having disproportionately large administrative components. Further, the audits conducted in Yemen (2023/091), as well as the multi-country offices in Cameroon (2023/037) and Panama (2023/084), noted that there was a skewed distribution of staff (numbers and seniority) towards the branch office. This is contrary to the decentralization process, which aimed to move resources nearer to the points of service delivery.

51. Twenty-five per cent of the organization's 20,000 workforce are affiliate workforce deployed to temporarily increase human resources capacity to deliver services to forcibly displaced persons. As UNHCR funding and regular staff posts have reduced over the years, the use of affiliate workforce has steadily increased. The continued high use of affiliated workforce in place of regular staff masked related shortages in critical roles, was not cost effective and also reflected gaps in human resources planning.

52. The implementation of key outstanding functionalities of Workday – the UNHCR human resources digital tool – present opportunities to strengthen the UNHCR workforce control framework in a sustainable manner and to address related risk management and accountability mechanisms.

## **F. Transformation**

### **Optimization of the benefits and impacts of organizational transformation**

#### **(a) Decentralization and regionalization**

53. The audits of the two regional bureaux (2023/025 and 2023/059) concluded that planned organizational changes to structures, systems, processes and tools that underpinned the effective implementation of the decentralization and regionalization remained in progress. These primarily related to: (a) the simplification of processes anticipated under the business transformation programme; (b) reforms to make Headquarters lean, dynamic and forward-looking; and (c) the movement of resources nearer to points of service delivery, (that is, from divisions to bureaux) and/or between the operations and centralized control functions.

#### **(b) Business transformation programme**

54. The business transformation programme was meant to make the organization more agile, efficient, inclusive and collaborative. The audit of the business transformation programme (2024/011) noted that UNHCR selected and implemented the “best-of-breed” and proven software technologies for its six business transformation programme projects, all of which had “gone live” by the end of 2023. However, since UNHCR chose to purchase vendor systems for its business transformation programme projects, labor-intensive workarounds were needed to customize these systems for UNHCR-specific needs and at additional costs.

55. The difficult customization was also compounded by the implementation of multiple, interdependent projects simultaneously as well as challenges in mapping and/or reengineering business processes. The effectiveness of six business transformation programme projects at “go live” was negatively impacted by the descoping or deferring of important functionalities to “post-go live”, as well as unresolved integration and data issues. These matters resulted in the suboptimal utilization of the new systems, and as a result, UNHCR was yet to fully realize its anticipated business transformation programme objectives.

#### **(c) Results-based management**

56. All audited entities were using COMPASS – the UNHCR results-based management system – during the reporting period. The new system and approach underpinned the development of multi-year strategies. However, as was noted in the audit of the field operations in Bulgaria, Croatia, France, Germany and the United Kingdom of Great Britain and Northern Ireland (2023/103), UNHCR requirements for strategic planning and core indicators were uniform across all operations despite varying contexts, sizes and funding of operations. This impacted the reasonableness of targets and reliability of results reported in the performance frameworks against mandatory indicators. Bureaux and divisions were also encouraged to implement regional data strategies to ensure quality information is available for decision-making at country and regional levels.

#### **(d) Enterprise risk management**

57. OIOS reviewed the implementation of enterprise risk management in all its audits and confirmed that risk registers had now been completed organization-wide, and the quality of risk registers were enhanced. However, support to some entities was required to ensure that they mitigated risks effectively and in a timely manner, as was noted in the multi-country office in Cameroon (2023/037). There was also a need to embed risk management in core management processes, including decision-making. The audit of the organization’s

management of government partners (2024/009) identified the need for UNHCR to clarify and operationalize processes through which country operations can escalate and get support to mitigate the risks that they face in managing government partners, thereby reducing and/or managing the exposure to the organization.

## **G. Data and technology**

### **1. Secure information and communications technology systems and processes**

58. The audit of UNHCR cybersecurity preparedness in UNHCR (2023/094) noted that the organization had taken steps in strengthening its cybersecurity posture. The audit made recommendations to address remaining gaps across people, processes and technology.

59. In the audit of the supply chain management for information and communications technology equipment (2023/067), OIOS identified gaps in procurement planning, non-compliance with procurement procedures, and failure to purchase information and communications technology equipment through frame agreements. Further, weaknesses in controls over UNHCR accounting for and management of information and communications technology equipment raised the organization's vulnerability to risks of loss, misuse and obsolescence of related equipment.

### **2. Reliable data to support decision-making and demonstrate results for affected populations**

60. The audit of progress in implementing the business transformation programme (2024/011) noted that data produced by the different systems, especially Workday, COMPASS and Cloud ERP – the cloud-based enterprise resource planning system – if not well managed would result in disparate, overlapping, redundant and conflicting data. UNHCR needed data management strategies to ensure integrity, accuracy and completeness of data across different sources in the business transformation programme landscape.

61. Despite the implementation of the COMPASS systems, UNHCR continued to face challenges in the quality of performance data that was reported by its entities. Field operations in Angola (2023/042), the Congo (Republic of) (2023/057), the Niger (2023/100), as well as the multi-country offices in Cameroon (2023/037) and Panama (2023/084), also faced challenges in setting realistic baselines and targets, and collecting and reporting reliable results. They also did not analyze programme non-performance for rectification. The bureaux audits for southern Africa (2023/059) and the East and Horn of Africa and the Great Lakes (2023/025), as well as those for fleet and fuel management (2023/026) and affiliate workforce (2023/090), identified significant variances in the comprehensiveness and quality of reported data across field operations for decision-making.

62. Field operations in Angola (2023/042), the Congo (Republic of) (2023/057), the Niger (2023/100), Yemen (2023/091), as well as the multi-country offices in Cameroon (2023/037) and Panama (2023/084), lacked reliable population data for its planning, programme design and identification of the most vulnerable for targeting. This arose primarily from not having conducted recent population verifications and/or inadequate mechanisms for continuous registration.

## **H. Climate change**

### **Climate smart, protection-centred programmes**

63. The audit of the Regional Bureau for southern Africa (2023/059) noted that the region was heavily susceptible to climate factors resulting in the displacement of persons for many years. The Bureau developed a related regional strategic framework (2023-2026) and action plan (2021-2023) on climate change-related displacements. However, the framework lacked operational details, and was not costed and resourced for implementation.

## IV. Cooperation and coordination

64. OIOS received effective cooperation from UNHCR management and staff during the reporting period. OIOS representatives 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, the implementation of the workplan and the status of outstanding recommendations.

65. OIOS attended three sessions of the Independent Audit and Oversight Committee to discuss implementation of the internal audit workplan 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.

66. 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 Joint Inspection Unit of the United Nations to enhance synergies and efficiencies in the discharge of the respective mandates. In addition, OIOS worked closely with the UNHCR Enterprise Risk Management Service in developing a methodology for conducting quantitative risk assessments of field operations. It also provided catalytic support to enterprise risk management work.

67. OIOS 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

68. OIOS had a total of 27 posts dedicated to UNHCR activities. Two of these positions were frozen in 2023 due to funding restrictions, and OIOS had to defer the recruitment for four additional positions during 2024 due to resource constraints. Thus, as of 30 June 2024, only 21 of the 27 posts were filled as reflected in table 5. This meant OIOS could not conduct all the audits planned for the period envisaged under the approved audit strategy.

Table 5  
Approved posts for 2023 and 2024

Year	Total		Geneva		Nairobi		Budapest	
	2023	2024	2023	2024	2023	2024	2023	2024
Professional	22	22	9	9	7	7	6	6
General service	5	5	3	2	1	1	1	1
<b>Total posts</b>	<b>27</b>	<b>27</b>	<b>12</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>
Vacant	3	0	1	0	1	0	1	0
Frozen	2	2	1	1	0	0	1	1
Recruitment deferred	0	4	0	0	0	3	0	1
<b>Total filled</b>	<b>22</b>	<b>21</b>	<b>10</b>	<b>10</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>5</b>

69. The UNHCR internal audit activity has continued to benefit from OIOS structures in New York and elsewhere on audit assignments. For instance, the audits of cybersecurity and progress of the implementation of the business transformation programme were resourced from the OIOS Information and Communications Technology Section in New York. OIOS structures also provide quality assurance, training and professional development, and other support to the UNHCR internal audit function. Further, OIOS continuously monitors the quality of its processes and results.

## B. Budget

70. Table 6 shows the budgets provided for internal audit from 2022 to 2024.

Table 6  
Internal audit budgets from 2022 to 2024

<i>Cost category</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Staff costs	\$4,962,887	\$4,662,323	\$5,007,500
Non-staff costs	\$680,936	\$547,500	\$452,500
<b>Total</b>	<b>\$5,643,823</b>	<b>\$5,209,823</b>	<b>\$5,460,000</b>

**Annex I****Final reports issued from 1 July 2023 to 30 June 2024**

No.	Report number	Assignment title	Date of final report	Number of recommendations	
				Important	Critical
<b>Headquarters functions, thematic areas, and information and communications technology audits</b>					
1	2023/026	Audit of fleet and fuel management in UNHCR field operations	20-Jul-23	6	0
2	2023/067	Audit of supply chain management for information and communications technology equipment at the Office of the United Nations High Commissioner for Refugees	18-Dec-23	7	0
3	2023/076	Audit of UNHCR arrangements for the prevention, risk mitigation and response to gender-based violence	20-Dec-23	9	0
4	2023/085	Audit of livelihoods programmes in field operations of the Office of the United Nations High Commissioner for Refugees	22-Dec-23	7	0
5	2023/092	Thematic audit of mandate refugee status determination processes at the Office of the United Nations High Commissioner for Refugees	26-Dec-23	7	0
6	2023/094	Audit of cybersecurity preparedness in the Office of the United Nations High Commissioner for Refugees	26-Dec-23	10	0
7	2023/090	Audit of affiliate workforce arrangements in the United Nations High Commissioner for Refugees	26-Dec-23	8	0
8	2024/009	Audit of the management of funded partnerships with government entities for the Office of the United Nations High Commissioner for Refugees	28-Mar-24	4	0
9	2024/011	Audit of the progress in implementing the business transformation programme for the Office of the United Nations High Commissioner for Refugees	05-Apr-24	11	0
10	2024/021	Audit of mandate refugee status determination processes of the Office of the United Nations High Commissioner for Refugees at the multi-country office in South Africa	31-May-24	3	0
11	2024/024	Audit of mandate refugee status determination processes of the Office of the United Nations High Commissioner for Refugees in Malaysia	19-Jun-24	5	0
12	2024/025	Audit of mandate refugee status determination processes, gender-based violence, and livelihoods and economic inclusion of the Office of the United Nations High Commissioner for Refugees in Rwanda	21-Jun-24	4	0
13	2024/027	Audit of livelihoods and economic inclusion; prevention, risk mitigation and response to gender-based violence, and affiliate workforce of the Office of the United Nations High Commissioner for Refugees in Uganda	28-Jun-24	6	0



<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>
<b>Regional bureaux audits</b>					
1	2023/025	Audit of the Regional Bureau of the East and Horn of Africa and the Great Lakes of the Office of the United Nations High Commissioner for Refugees	06-Jul-23	6	0
2	2023/059	Audit of the Regional Bureau for southern Africa of the Office of the United Nations High Commissioner for Refugees	16-Nov-23	7	0
<b>Country operations audits</b>					
1	2023/037	Audit of multi-country office in Cameroon of the Office of the United Nations High Commissioner for Refugees	06-Sep-23	7	1
2	2023/042	Audit of the operations in Angola of the Office of the United Nations High Commissioner for Refugees	20-Sep-23	6	0
3	2023/043	Audit of the management of cash-based interventions in the UNHCR response to the Ukraine crisis	21-Sep-23	6	0
4	2023/044	Audit of the arrangements for the deduplication of beneficiaries of cash-based interventions in the UNHCR response to the Ukraine crisis	21-Sep-23	3	0
5	2023/045	Audit of the management of non-food items in the UNHCR response to the Ukraine crisis	25-Sep-23	4	0
6	2023/057	Audit of the operations in the Congo (Republic of) of the Office of the United Nations High Commissioner for Refugees	08-Nov-23	6	0
7	2023/084	Audit of multi-country office in Panama of the Office of the United Nations High Commissioner for Refugees	22-Dec-23	6	0
8	2023/091	Audit of the operations in Yemen of the Office of the United Nations High Commissioner for Refugees	26-Dec-23	7	0
9	2023/100	Audit of operations in the Niger of the Office of the United Nations High Commissioner for Refugees	29-Dec-23	8	0
10	2023/103	Audit of operations in Bulgaria, Croatia, France, Germany and the United Kingdom of Great Britain and Northern Ireland of the Office of the United Nations High Commissioner for Refugees	29-Dec-23	6	0

## Annex II

### Long outstanding recommendations as of 30 June 2024<sup>4</sup>

<i>No.</i>	<i>Assignment</i>	<i>Recommendation</i>	<i>Rating</i>	<i>Issue date</i>	<i>Target implementation date</i>	<i>Revised estimated implementation date (where provided)</i>
1	AR2019-111-07 Audit of UNHCR operations in Ethiopia	1. The UNHCR Representation in Ethiopia, in collaboration with the Regional Bureau for the East and Horn of Africa and the Great Lakes, should: (a) undertake a review of the effectiveness of its organizational and staffing structure in supporting the delivery of its mandate; and, (b) implement an action plan for strengthening the use of the risk register in its decision-making processes.	Important	01/10/2020	31/03/2021	31/12/2021
2	AR2020-167-02 Audit of procurement of UNHCR field operations during the COVID-19 emergency	2. The UNHCR Division of Emergency, Security and Supply should: (a) ensure that key information pertaining to the procurement process (from the issuance of tenders to the decision of award) is captured in the new enterprise resource planning system or other tool; and, (b) define and implement standard procurement performance indicators and reports.	Important	21/06/2021	31/12/2022	30/06/2025
3	AR2021-111-02 Audit of the UNHCR multi-country office in Senegal	3. The UNHCR Regional Bureau for West and Central Africa, in consultation with relevant headquarters entities, should ensure guidance is developed to support disengagements from countries and partnerships with government partners and adequate exit strategies are prepared.	Important	16/12/2021	31/12/2022	31/12/2023
4	AR2021-165-01 Audit of records and archives management in UNHCR	1. The UNHCR Division of External Relations should: (a) review and consolidate its records and archives management framework and adopt a more holistic approach to information governance, as well as better define stakeholder responsibilities and the role of focal points; and, (b) provide training to ensure a consistent and comprehensive approach to records management once the framework is promulgated.	Important	17/12/2021	31/12/2022	31/12/2024

<sup>4</sup> Long outstanding recommendations are recommendations that have been open for more than 24 months or that are long overdue (that is, have missed their target date by more than 12 months).

<i>No.</i>	<i>Assignment</i>	<i>Recommendation</i>	<i>Rating</i>	<i>Issue date</i>	<i>Target implementation date</i>	<i>Revised estimated implementation date (where provided)</i>
5	AR2021-165-01 Audit of records and archives management in UNHCR	3. The UNHCR Division of External Relations should: (a) develop staffing benchmarks and standard job descriptions for the creation of archivist positions and advocate for the creation of such positions where needed; and, (b) in coordination with regional bureaux, establish the scope of work and reporting lines of outposted archivists, and capacitate bureaux to support and monitor regional records and archives management activities.	Important	17/12/2021	31/12/2022	30/06/2024
6	AR2021-165-01 Audit of records and archives management in UNHCR	4. The UNHCR Division of External Relations should develop a digital preservation strategy, policy and operational guidelines as part of a global records and archives management framework.	Important	17/12/2021	31/12/2022	31/12/2024
7	AR2021-165-01 Audit of records and archives management in UNHCR	5. The UNHCR Division of External Relations should: (a) finalize the digital transformation strategy that includes targets for effectiveness and efficiency of business processes and for the potential reduction of UNHCR environmental footprint; and, (b) update the operational guidelines for digitization to address, inter alia, gaps in the budgeting of digitization projects and stipulate the standard approach for the destruction of paper individual case files of persons of concern once digitized.	Important	17/12/2021	31/12/2022	31/12/2023
8	AR2021-165-01 Audit of records and archives management in UNHCR	6. The UNHCR Division of External Relations should: (a) continue its progress in taking an inventory of the remaining undocumented permanent records stored in the central archives; and, (b) conduct cost benefit analyses on the establishment of records centers in different regions to store closed individual case files of persons of concern and/or of their digitization.	Important	17/12/2021	31/12/2025	NA
9	AR2021-112-02 Thematic audit of supply chain in the East and Horn of Africa and the Great Lakes	1. The UNHCR Division of Emergency, Security and Supply should review the roles and responsibilities of supply units at the bureau and country levels and their reporting lines, as well as update supply staff job descriptions.	Important	23/12/2021	30/09/2022	31/12/2024

<i>No.</i>	<i>Assignment</i>	<i>Recommendation</i>	<i>Rating</i>	<i>Issue date</i>	<i>Target implementation date</i>	<i>Revised estimated implementation date (where provided)</i>
10	AR2021-112-02 Thematic audit of supply chain in the East and Horn of Africa and the Great Lakes	3. The UNHCR Regional Bureau for the East and Horn of Africa and the Great Lakes should develop a supply chain management strategic plan that directs the prioritization of related activities in the region and guides country operations in their annual planning processes.	Important	23/12/2021	31/12/2022	Not provided
11	AR2021-112-02 Thematic audit of supply chain in the East and Horn of Africa and the Great Lakes	4. The UNHCR Division of Emergency Security and Supply should, in collaboration with the Regional Bureau for the East and Horn of Africa and the Great Lakes, assess the extent to which available tools are utilized within the region and implement a plan of action to ensure they are fully rolled out and operational.	Important	23/12/2021	31/03/2023	31/12/2024
12	AR2021-112-02 Thematic audit of supply chain in the East and Horn of Africa and the Great Lakes	7. The UNHCR Division of Emergency, Security and Supply, in coordination with the Regional Bureau for the East and Horn of Africa and the Great Lakes, should review and strengthen oversight mechanisms over supply chain management by: (a) clarifying the oversight roles of the bureau and the division; (b) addressing issues related to designated local and regional committees on contracts; and, (c) including supply staff in multifunctional monitoring teams.	Important	23/12/2021	30/09/2022	31/12/2024
13	AR2021-164-01 Thematic audit of child protection at UNHCR	4. The UNHCR Division of International Protection and regional bureaux should: (a) supplement case management capacity; and, (b) ensure effective monitoring and oversight of child protection cases with the aim of consistently implementing the best interests procedure, so children at risk can get the best possible outcomes and solutions.	Important	23/12/2021	31/12/2023	Not provided
14	AR2021-131-01 Audit of UNHCR operations in Iraq	5. The UNHCR Representation in Iraq should improve controls over the use of cash-based interventions by: (a) developing a targeting model for the identification of the most vulnerable persons of concern; (b) reviewing its standard operating procedures to address the risk of duplicate records; and, (c) raising awareness among persons of concern	Important	12/05/2022	30/06/2023	31/07/2024

<i>No.</i>	<i>Assignment</i>	<i>Recommendation</i>	<i>Rating</i>	<i>Issue date</i>	<i>Target implementation date</i>	<i>Revised estimated implementation date (where provided)</i>
		regarding the non-payment of fees when receiving cash assistance.				
15	AR2021-112-03 Audit of UNHCR operations in South Sudan	7. The UNHCR Representation in South Sudan, in collaboration with the Regional Bureau for the East and Horn of Africa and the Great Lakes, should implement an action plan to address systemic weaknesses in controls over fleet and fuel management, and increase efficiencies in related processes.	Important	30/06/2022	30/09/2022	30/11/2022
16	AR2021-111-03 Audit of UNHCR emergency operations in Mali	3. The UNHCR Representation in Mali should, in collaboration with the Regional Bureau for West and Central Africa, develop a strategy and update its standard operating procedures to drive prevention, coordination, case management, monitoring and data collection of gender-based violence programmes across all population groups.	Important	10/10/2022	28/02/2023	25/10/2023
17	AR2022-111-01 Audit of UNHCR operations in Nigeria	8. The UNHCR Representation in Nigeria should: (a) assess the comparative advantage and capacity of implementing partners to conduct effective and economical procurement before delegating them procurement authority; (b) involve supply staff in monitoring of related procurement processes; and, (c) reduce procurement delegated to partners where high risks were identified.	Important	28/11/2022	31/03/2023	Not provided
18	AR2021-168-01 Follow up audit on procurement undertaken by partners using UNHCR funds	1. The UNHCR Division of Strategic Planning and Results should, in consultation with the Division of Emergency, Security and Supply, strengthen the guidance for the procurement planning process so that: (a) plans accurately reflect UNHCR needs; (b) the most cost-effective vehicle for procuring goods and services is identified; and, (c) regional bureaux have clarity on their role in overseeing and supporting procurement planning and implementation processes.	Important	21/12/2022	31/12/2022	Not provided