



MATRIX: Follow-up to the recommendations of the
United Nations Board of Auditors in its report on
UNHCR's 2013 financial statements

This matrix has been prepared by the Office of the United Nations High Commissioner for Refugees for the United Nations Board of Auditors. It is being shared with the Executive Committee of the High Commissioner's Programme for informational purposes only.

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The main recommendations / key findings of the Board relate to the following areas: (a) **Financial matters**; (b) **Syria situation**; (c) **Provision of health services**; (d) **Implementing partners**. The main recommendations are in paragraphs 9, 18, 30, 36, 40, 56, 76, 93 and 105 (*in bold in the matrix*).

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9	While recognising UNHCR's position and its dependence on voluntary funding, the Board recommends UNHCR establish appropriate target levels for inventory holdings and other assets.	4 th Quarter 2015	Division of Emergency, Security and Supply (SMLS)	For its seven centrally managed global stockpiles, UNHCR has determined the minimum inventory levels to meet the needs of 600,000 persons of concern. At the end of 2013, this was valued at approximately \$34 million based on average prices. Target levels have also been established for all stockpiles managed by the field. All target levels are reviewed regularly, at minimum semi-annually. To refine the adequacy of target levels, UNHCR is in the process of introducing a supply planning method, by which the level of inventories and the quantities to be purchased are determined based on the expected future needs, thus optimizing the stock levels.
18	The methodology for allocating programme and management costs has now been in place for four years. The Board recommends that UNHCR review and further refine the methodology for allocating programme and management costs with a view to increasing the granularity of its knowledge and to ensure that the costs are accurately captured and reported.	4 th Quarter 2015	Division of Financial and Administrative Management (PBS)	UNHCR allocates its costs across three categories: programme costs (PG), programme support costs (PS) and management and administration costs (MA). The existing methodology has been developed by UNHCR and applied consistently in all programmes, projects and locations for the last four years. The Board noted that some further refinement could be achieved in the methodology, for example, relating to the classification of staff costs under each of the three above-mentioned categories. In this regard, UNHCR will undertake a full review of the existing methodology with the aim to further refine the accuracy of the cost classification and reporting.
30	The Board recommends UNHCR evaluate the performance of the biometric registration procedures implemented in Jordan, with a view to concluding its work to provide a standard global system for the biometric identification and registration of refugees.	4 th Quarter 2015	Division of Programme Support and Management (DPSM) and MENA Bureau	UNHCR's development team for the global biometrics system, in coordination with the country office, will ensure that lessons learned from the implementation of registration procedures within the Jordan operation – as applicable – are fully taken into account in the development of global biometrics registration procedures.
36	The Board recommends UNHCR explore whether greater use could be made of partner agreements extending beyond 12 months.	3 rd Quarter 2015	Division of Financial and Administrative Management / (IPMS)	Flexibility is already exercised to allow extension of the implementation and agreement period of partner agreements, depending on availability of funds and operational requirements. In response to the emergency operations in Sudan and the Syrian Arab Republic, 200 projects were extended beyond 2013. This flexibility can be further enhanced if donors would subscribe to a reliable and firm commitment for multiple-year funding to allow planning,

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				<p>implementation and conclusion of agreements beyond 12 months.</p> <p>However, currently UNHCR is faced with the following constraints in extending partnership agreements beyond 12 months: (i) the donor contributions are normally pledged for a year, (ii) UNHCR's organizational budget is approved on annual basis; and (iii) the Office needs to maintain flexibility in order to respond to existing and newly arising emergency situations. Signing multi-year agreements with partners poses greater risks for partners and UNHCR, without having funding secured. Notwithstanding the above, UNHCR will further assess whether this recommendation could be implemented.</p>
40	<p>The Board recommends UNHCR adopt more widely a flexible approach to emergency staffing, including the contracting of staff from other organisations and, when facing bottlenecks, outsourcing some or all recruitment processes.</p>	<p>UNHCR considers this recommendation as implemented</p>	<p>Division of Human Resources Management (DHRM)</p>	<p>UNHCR has already put in place a more flexible approach to emergency staffing. Several revisions of the fast-track procedures have considerably improved the speed of filling of vacancies. According to the Division of Human Resources Management (DHRM), the first Syria Fast Track (referred to as Syria FT1) was issued on 25 October 2012. The High Commissioner's decision on the filling of 40 out of the 46 posts advertised (i.e. the announcement of the names of the appointed candidates) was issued on 14 December 2012. Subsequently for Syria FT1, a decision was announced for one more post on 18 January 2013 and one other on 1 March 2013. The remaining posts were either re-advertised or withdrawn. For Syria FT2 (the second set of fast-track vacancies for the Syria operation), the positions were advertised on 7 December 2012 (31 positions). The High Commissioner's decision on the filling of 28 out of the 31 posts advertised (i.e. the announcement of the names of the appointed candidates) was issued on 18 January 2013. The remaining three posts were either re-advertised or withdrawn.</p> <p>Effective 15 July 2014, UNHCR promulgated a policy under which the filling of fast-track positions with internal applicants who have been jointly approved for these positions by managers and DHRM no longer requires review by the Joint Review Board. The most recent fast-track recruitment announced on 17 July 2014 for the Central African Republic and the South Sudan emergency situations is subject to these revised policy and procedures.</p> <p>UNHCR considers this recommendation therefore as implemented.</p>

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45	The Board recommends that UNHCR evaluate the costs and benefits of basing the regional bureau in Amman to determine whether any lessons can be learned for existing or future operations.	2 nd Quarter 2015	Organizational Development and Management Service Bureau of M.E.N.A.	UNHCR agrees that it is important to conduct an internal review of costs and benefits of basing the Regional Refugee Coordination/Director of the Regional Bureau for the Middle East and North Africa in Amman to improve the existing management/governance structure, if needed. The review will also aim to draw lessons for designing future structures for managing large-scale and rapidly evolving emergencies.
50	In view of the success of the initiative in the Syrian Arab Republic, the Board recommends that UNHCR explore the scope for wider use of online geographical information system such as ActivityInfo.	4 th Quarter 2015	Division of Programme Support and Management	UNHCR will undertake a review of the use of ActivityInfo to assess the feasibility of expanding its use and/or incorporating key functions into other global systems.
56	The Board, given the major scale of UNHCR Jordan cash programme and the plans to expand it to other countries, recommends that UNHCR commission an independent expert evaluation of the programme, with the aim of reporting before the end of 2014.	4 th Quarter 2015	Division of Programme Support and Management Bureau of MENA	<p>UNHCR is currently commissioning a study to understand coping mechanisms among vulnerable Syrians and to understand the impact of cash assistance on the use of the coping mechanisms (for example, whether the incidence of begging by children is reduced if cash assistance is provided). The study is performed in four countries in the region and will be concluded by the end of 2014.</p> <p>UNHCR, through its Policy Development and Evaluation Service (PDES), has also contracted an independent evaluation of the overall response to the Syrian refugee situation in Jordan and Lebanon, which is also expected by the end of the year.</p> <p>There are a number of evaluations and studies, taking place in Jordan in 2014, commissioned by other international organizations or NGOs, (e.g. World Bank, Oxfam, Save the Children), on cash assistance programmes and their impact.</p> <p>UNHCR intends to use the results of these evaluations and studies to review and conceptualize, if necessary, a comprehensive evaluation to be performed in 2015. The comprehensive evaluation would address areas that may have been overlooked by the previous studies, while avoiding duplication and ensuring a cost-effective approach.</p>
61	The Board recommends that, in order to avoid overstocking and preserve flexibility, UNHCR regularly review stocks held at global and local	4 th Quarter 2014	Division of Emergency, Security and Supply	UNHCR agrees that it is important to regularly review stocks held in global and local warehouses, a principle which is built into the current procedures. The Supply Management and Logistics Service (SMLS) reviews stock levels in all warehouses on a monthly basis, and reports on the items that

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	warehouses to confirm that levels remain appropriate.		(SMLS)	potentially exceed the requirements (i.e. stock in excess of the last 12 months' distribution or in excess of the average distribution during the last three years). The report is sent to the countries concerned for review and action, if required. Stock levels for emergency operations are planned based on the number of persons of concerns expected, which is difficult to predict in volatile environments. For example, at the time of the view, UNHCR temporarily held more stock of certain items than required in Lebanon, because a higher influx of refugees had been expected. Meanwhile, a significant part of the surplus stock has been redirected from Lebanon to Iraq where it was needed, and a similar solution is being sought for the remaining surplus stocks. UNHCR expects that there will not be any material surplus stocks in inventory by the end of 2014.
76	The Board recommends that UNHCR revise its planning guidance to: (a) require country offices to explicitly refer to the main burdens of disease when bidding for health programme resources; and (b) remind country offices of their discretion to use non-global priority indicators to monitor country-specific health issues.	4 th Quarter 2014	Division of Programme Support and Management (Public Health Section)	UNHCR will ensure that planning instructions will reflect the recommendation of the Board of Auditors, and will also include guidance for the selection of health partners.
80	The Board recommends that UNHCR deepen its annual fact-sheet summaries for public health, reproductive health and water, sanitation and hygiene, to identify the relationship between health indicators and health resources consumed, twice yearly and at camp level.	1 st Quarter 2015	Division of Programme Support and Management (Public Health Section)	UNHCR will support the development of half-yearly country summaries on public health, reproductive health and water, sanitation and hygiene (WASH) to be used during the mid-term review of budgetary resource allocation at country level. UNHCR will continue to produce annual country public health fact sheets based on data gathered from Twine (an online platform to manage and analyze public health data collected in refugee operations), including an analysis of past and current operational data to identify trends in health-related programme costs. During regional workshops, a programme training component will be added to train public health officers on the use of health data in the results framework against budgets.

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83	In order to understand the experiences of refugees who are not using UNHCR health facilities and devise appropriate interventions, the Board recommends that UNHCR evaluate the performance of the surveillance tool pilot schemes in Kuala Lumpur and Lebanon and consider the wider application across its network, if applicable.	4 th Quarter 2014	Division of Programme Support and Management (Public Health Section)	UNHCR is currently rolling out a household health assessment and utilization survey in Jordan and Lebanon. Based on this, a decision will be made in November 2014 on tools that will be implemented for monitoring access to health care in non-camp settings.
86	The Board recommends that UNHCR issue central guidance to country teams on cost-effectiveness criteria in health services as an aid to decision-making and resource allocation in health programmes.	2 nd Quarter 2015	Division of Programme Support and Management (Public Health Section)	UNHCR will develop guidance for country teams on cost-effectiveness criteria as recommended by the Board, using published international data and best practices.
91	The Board recommends that UNHCR refine its standard operating policies for referrals, requiring country offices to: <ul style="list-style-type: none"> a) Include in the monthly reporting framework for implementing partners, referral numbers and costs to both secondary and tertiary level care; b) Monitor variation in local referral rates and investigate where there are adverse trends or anomalous results; c) Require partners to seek approval from UNHCR for cases exceeding a certain monetary threshold; d) Use referral committees to provide consistent and transparent decisions on which high-value cases should be supported. 	2 nd Quarter 2015	Division of Programme Support and Management (Public Health Section)	UNHCR is currently piloting an automated tool to improve the monitoring of referral care in Ethiopia, Jordan, Lebanon and South Sudan. The results of the pilot will be available by the end of 2014, and a database referral tool will be subsequently developed. UNHCR will support countries with referral care covered by the organization to have a country-specific standard operating procedure (SOP) in line with the global principles and guidance on referral care.
93	The Board recommends UNHCR work towards	UNHCR	Division of	UNHCR issued a policy on alternatives to camps in July 2014. Through this policy, UNHCR is making an institutional commitment to pursue

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	<p>more consistent utilization levels per health worker across its camps, through an appropriate mix of:</p> <ul style="list-style-type: none"> a) Considering the selective redeployment of some health worker posts between smaller and larger camps, as appropriate, and beyond health management; b) Directing new intakes of refugees to existing underutilized camps; c) Camp consolidation, working with national authorities to close smaller camps that would not be economical to sustain in the long term. 	<p>considers this recommendation as implemented</p>	<p>Programme Support and Management (Public Health Section)</p>	<p>alternatives to camp situations, whenever possible, while ensuring that refugees are protected and assisted effectively and are able to achieve solutions. The policy refocuses attention on refugees living in camps and extends the principal objectives of UNHCR's urban refugee policy to all operational contexts. UNHCR has also developed several guidance documents that are in line with the recommendations provided by the Board as follows:</p> <ul style="list-style-type: none"> (i) Global Strategy for Public Health 2014-2018, which encompasses public health, HIV and reproductive health, food security and nutrition, and water, sanitation and hygiene (WASH). The Strategy aims to decrease morbidity and mortality and enhance the lives of refugees, with a focus on increasing access to quality, primary health care and integrating services into national structures. (ii) Guidance on Health in Urban Areas, which provides a set of guidance on how to support refugees in urban settings for health care. Intervention guidance is focused on refugee integration into and access to national systems and partnerships. (iii) Operational Guidance on Health Insurance Schemes for Refugees, which provides guidance on assessment and application of national, community and private health insurance schemes for refugees and others of concern to UNHCR. <p>UNHCR considers this recommendation therefore as implemented.</p>
98	<p>The Board recommends that UNHCR consider the wider application of its health scorecard system across the country network. It should ensure that, for each health centre where it uses the balanced scorecard, it develops, jointly with the implementing partner, an action plan to address areas of improvement and follow up at regular intervals to ensure progress is being made. It should report against the balanced scorecard results in the bi-annual performance report and use the results in selecting which health implementing partners to work with.</p>	<p>4th Quarter 2015</p>	<p>Division of Programme Support and Management (Public Health Section)</p>	<p>UNHCR is currently expanding the balanced scorecard (BSC) to include an additional module on reproductive health and HIV. Based on its utilization, a roadmap will be developed for further roll-out of the expanded BSC tool in the online platform Twine and for an improved sharing/reporting mechanism at country, regional and bureau level. This will allow for consistent follow-up on the utilization of the tool. Through the automatic sharing/reporting mechanism, the tool will feed into the mid-term and year-end evaluation. At the country level, the BSC can be used by programme staff and management to monitor programme implementation and performance and by partners as a performance monitoring tool, and can also inform the partner selection committee.</p>

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101	The Board recommends that UNHCR issues updated guidance to clarify the circumstances in which implementing partner agreements are unsuitable and commercial procurement may be more appropriate.	3 rd Quarter 2015	Division of Financial and Administrative Management (IPMS)	UNHCR will develop and issue guidance clarifying the criteria and circumstances under which activities should be implemented through either non-profit partner organizations or directly through commercial providers. Factors like the purpose of the activity to be implemented and the specific operational requirements, particularly during emergency operations, will be among the critical ones to be considered. Furthermore, a revised procedure on procurement by partners with UNHCR funds is in preparation and will be issued shortly.
105	<p>The Board, in order to strengthen the implementing partner selection process, recommends that UNHCR:</p> <p>a) Enhance its due diligence procedures with regard to the initial vetting of partners to include reference checks where appropriate;</p> <p>b) In consultation with other United Nations agencies and the wider humanitarian community, develop mechanisms to share intelligence on implementing partners.</p>	<p>a) 1st Quarter 2015</p> <p>b) 4th Quarter 2015</p>	Division of Financial and Administrative Management (IPMS)	<p>The self-declaration of eligibility by partners is an initial step of partner introduction to UNHCR, as part of a comprehensive process of registration and vetting. The process of registration pre-dates the selection of partners for implementation projects. Implementing partners are selected from this pool of registered data, in order not to delay their engagement when needed. A new web-based tool, known as the "Partner Portal", is under development. It will provide an interactive platform for partnership registration, including an extensive questionnaire. The Partner Portal will serve as a database of screened partner profiles, including type of partner, references of previous relations with UNHCR and other United Nations system organizations, performance tracking and agreements. It will allow a systematic manner of maintaining, reviewing and updating profiles, screening, enlisting and removing entities. The Partner Portal will also facilitate information-sharing among UNHCR, country offices and other relevant parties.</p> <p>In respect of the recommendation to share intelligence on implementing partners, UNHCR will explore avenues and mechanisms for networking and exchanging information with other United Nations system organizations.</p>