



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.

**UNHCR**

12 February 2015

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, <b>the Board recommends UNHCR establish appropriate target levels for inventory holdings and other assets.</b>	UNHCR considers this recommendation as implemented	Division of Emergency, Security and Supply (DESS) / Supply Management and Logistics Service (SMLS)	<p>UNHCR has determined minimum inventory levels for its seven global stockpiles to be prepared for emergencies. This covered the needs of 600,000 persons of concern initially, and was subsequently increased to 750,000 (including 150,000 in the pipeline). This level is reviewed at least semi-annually by senior management. Target levels are also established for all stockpiles managed by the field and reviewed at least semi-annually.</p> <p>In addition, UNHCR has further improved its supply planning process where the level of inventories and the quantities to be purchased are determined based on the expected future needs, thus optimizing the stock levels. For this purpose, new standard operating procedures (SOPs) were developed in 2014 for planning supply needs of core relief items, including annual needs and replenishment procedures. These procedures became a compulsory element of the UNHCR planning and resource allocation process for the year 2015 and onwards. These SOPs guide operations in assessing core relief items needs for the next period, establishing safety stock levels with a designated minimum level and a replenishment model for each warehouse worldwide.</p> <p>UNHCR also issued SOPs for inventory and warehouse management, providing operational guidance on the related duties and responsibilities ensuring <i>inter alia</i> reliable inventory data which is instrumental for effective supply planning.</p> <p>UNHCR considers this recommendation as implemented.</p>
18	The methodology for allocating programme and management costs has now been in place for four years. <b>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.</b>	UNHCR considers this recommendation as implemented	Division of Financial and Administrative Management (DFAM) / Programme Budget Service (PBS)	<p>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 has undertaken a review of the existing methodology with the aim to further refine the accuracy of the cost classification and reporting. The methodology</p>

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				for particular PG posts has been amended to better reflect the functional alignment of the duties of incumbents to the costs incurred and the related area of expenditure. The budgets and expenditures are amended with effect from 2015.  UNHCR considers this recommendation as implemented.
30	<b>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.</b>	4 <sup>th</sup> Quarter 2015	Division of Programme Support and Management (DPSM)  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	<b>The Board recommends UNHCR explore whether greater use could be made of partner agreements extending beyond 12 months.</b>	3 <sup>rd</sup> Quarter 2015	Division of Financial and Administrative Management (DFAM) / Implementing Partnership Management Service (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, implementation and conclusion of agreements beyond 12 months.  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. UNHCR carried out an analysis of the feasibility of multi-year agreement and also checked with other UN agencies practices.  Notwithstanding the above, UNHCR is currently assessing whether this recommendation can be exceptionally implemented in relation to those specific activities for which multi-year funding has been secured.
40	<b>The Board recommends UNHCR adopt more widely a flexible approach to emergency staffing,</b>	UNHCR considers this	Division of Human Resources	UNHCR has already put in place a more flexible approach to emergency staffing. Several revisions of the fast-track procedures have considerably

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	<p><b>including the contracting of staff from other organisations and, when facing bottlenecks, outsourcing some or all recruitment processes.</b></p>	<p>recommendation as implemented</p>	<p>Management (DHRM)</p>	<p>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 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>The latest revision of the fast-track policy has reduced the timeframe for the filling of fast-track vacancies to approximately one month for cases when internal candidates are identified and there is no need for review by the Joint Review Board. The Division for Human Resource Management has also introduced the use of functional profiles for the latest fast-track for the Syrian Arab Republic situation. Through the Capacity Building Initiative (CBI) and Entry-Level Humanitarian Professional Programme (EHP), a functional profile pool of candidates has been established and has avoided the need to advertise externally several positions for the same function. Since the pool of candidates in the functional profile are considered external to UNHCR, all short-listed candidates from the profiles needed to be interviewed and vetted for functional clearance. The screening and short-listing of candidates from the functional profile pool was conducted on UNHCR's behalf by an external recruitment company. As a result of these</p>

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				actions, the recruitment process was considerably shortened. UNHCR considers this recommendation as implemented.
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 <sup>nd</sup> Quarter 2015	Organizational Development and Management Service (ODMS)  MENA Bureau	UNHCR agreed that it is important to conduct an internal review of costs and benefits of basing the Regional Refugee Coordinator/Director of the Regional Bureau for the Middle East and North Africa in Amman to improve the existing management/governance structure, as needed. UNHCR plans to conduct an internal joint ODMS/MENA Bureau review during the months of April/May 2015, with the aim of finalizing the report and recommendations by the end of second quarter of 2015. The review will also aim to draw lessons on 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 <sup>th</sup> Quarter 2015	Division of Programme Support and Management (DPSM)	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	<b>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.</b>	4 <sup>th</sup> Quarter 2015	Division of Programme Support and Management (DPSM)  MENA Bureau	UNHCR will assess the results and analysis provided by several other ongoing evaluations and studies to decide whether to undertake an independent evaluation on UNHCR's cash assistance programme. In this context, UNHCR has commissioned an evaluation from Transtec on UNHCR's response to the refugee influx in Jordan and Lebanon, which will be finalized in the first quarter of 2015. Other studies include an analysis by the Norwegian Refugee Council of cash-based distribution of non-food items in refugee camps in Jordan, Oxfam's report on the impact of cash distributions on Syrian refugee households in host communities and informal settlements in Jordan, and the forthcoming UNHCR study on coping mechanisms among Syrian refugees in four countries in the region (available in the first quarter of 2015).
61	The Board recommends that, in order to avoid overstocking and preserve flexibility, UNHCR regularly review stocks held at global and local warehouses to confirm that levels remain appropriate.	UNHCR considers this recommendation as implemented	Division of Emergency, Security and Supply (DESS) / Supply Management	UNHCR regularly reviews 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 potentially exceed the requirements (i.e. stock in excess of the last 12 months'

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			and Logistics Service (SMLS)	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 concern expected, to the extent that this projection can be made in volatile environments. Such regular reviews of stock levels has led to decisions by management in some cases to redirect surplus stocks from one operation to another (e.g. in Lebanon, Yemen, etc.).  UNHCR considers this recommendation as implemented.
76	<b>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.</b>	UNHCR considers this recommendation as implemented	Division of Programme Support and Management (DPSM) / 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.  UNHCR's Administrative Instruction (UNHCR/AI/2014/21) on Reporting on 2014, Implementation in 2015 and Planning for 2016 and 2017 included clear instructions and references to resources on evidence-based programming, partner selection and selection of indicators. Detailed planning guidance is provided during the annual programme review when health experts examine the proposed health plans of country operations, which may result in adjustments of the said plans on areas identified in recommendation (a) and (b).  UNHCR considers this recommendation as implemented.
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.	UNHCR considers this recommendation as implemented	Division of Programme Support and Management (DPSM) / Public Health Section	UNHCR supports the development of semi-annual 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. In the updated TWINE system (an online platform to manage and analyze public health data collected in refugee operations), UNHCR developed semi-annually updated reports for countries covered in the Health Information System (HIS) using key data for their mid-term review.  UNHCR also produces annual country public health fact sheets based on data gathered from TWINE, including an analysis of past and current operational data to identify trends in health-related programme costs. These reports were produced at camp and country level for 2014.

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				<p>UNHCR will organize one regional workshop in February 2015 for East Africa which will include a programme component to train public health officers on the use of health data in the results framework against budgets.</p> <p>UNHCR considers this recommendation as implemented.</p>
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.	UNHCR considers this recommendation as implemented	Division of Programme Support and Management (DPSM) / Public Health Section	<p>UNHCR conducted a household health assessment and utilization survey in Jordan and Lebanon.</p> <p>UNHCR also undertook a review of the newly tested Household Assessment Utilization Survey (HAUS). Based on the findings, UNHCR has decided that HAUS will be the new tool for monitoring access to health care in non-camps settings. HAUS will be further rolled out in 2015, in refugee situations where this is applicable.</p> <p>UNHCR considers this recommendation as implemented.</p>
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 <sup>nd</sup> Quarter 2015	Division of Programme Support and Management (DPSM) / 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	<p>The Board recommends that UNHCR refine its standard operating policies for referrals, requiring country offices to:</p> <ul style="list-style-type: none"> <li>a) Include in the monthly reporting framework for implementing partners, referral numbers and costs to both secondary and tertiary level care;</li> <li>b) Monitor variation in local referral rates and investigate where there are adverse trends or anomalous results;</li> <li>c) Require partners to seek approval from UNHCR for cases exceeding a certain</li> </ul>	UNHCR considers this recommendation as implemented	Division of Programme Support and Management (DPSM) / Public Health Section	<p>UNHCR piloted an automated tool to improve the monitoring of referral care in Ethiopia, Jordan, Lebanon and South Sudan.</p> <p>UNHCR finalized an automated MS Access database tool for referral care in December 2014, which established a monthly reporting framework addressing referral numbers and costs to both secondary and tertiary level care, and provided the means to monitor and investigate variations in local referral rates and adverse trends or anomalous results. The tool consists of the database and an accompanying guide for analysis of referral care information. The tool will be rolled out in operations with standard referral care programmes, where the cost exceeds USD 50,000 per year.</p> <p>UNHCR encourages countries with referral care covered by the organization to have a country-specific standard operating procedure (SOP) in line with global principles and guidance on referral care. The SOP should include</p>

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	monetary threshold;  d) Use referral committees to provide consistent and transparent decisions on which high-value cases should be supported.			specific guidance on the partner monetary threshold for UNHCR approval and on the use of referral committees to take decisions on which high-level cases should be supported.  UNHCR considers this recommendation as implemented.
93	<b>The Board recommends UNHCR work towards more consistent utilization levels per health worker across its camps, through an appropriate mix of:</b>  a) <b>Considering the selective redeployment of some health worker posts between smaller and larger camps, as appropriate, and beyond health management;</b>  b) <b>Directing new intakes of refugees to existing underutilized camps;</b>  c) <b>Camp consolidation, working with national authorities to close smaller camps that would not be economical to sustain in the long term.</b>	UNHCR considers this recommendation as implemented	Division of Programme Support and Management (DPSM) / Public Health Section	UNHCR issued a policy on alternatives to camps in July 2014. Through this policy, UNHCR is making an institutional commitment to pursue 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:  (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 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.  UNHCR considers this recommendation as implemented.
98	The Board recommends that UNHCR consider the wider application of its health scorecard system across the country network. It should ensure that, for each	UNHCR considers this recommendation	Division of Programme Support and Management	As part of the process to expand the balance scorecard (BSC), UNHCR has finalized an additional module on reproductive health and HIV. BSC results are reflected in annual reports which are shared globally. In addition, the BSC has been included in the revised standard Project Partnership



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	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.	as implemented	(DPSM) / Public Health Section	Agreement which is expected to be used by every country operations. 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. UNHCR has also developed further infographics on the 2014 outcomes of the BSC which will be shared with countries and regional bureaux to inform the annual programme review.  UNHCR considers the recommendation as implemented.
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 <sup>rd</sup> Quarter 2015	Division of Financial and Administrative Management (DFAM) / Implementing Partnership Management Service (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, UNHCR's Policy and Procedures on procurement by partners with UNHCR funds (UNHCR/HCP/2014/11) was issued effective 1 November 2014.
105	<b>The Board, in order to strengthen the implementing partner selection process, recommends that UNHCR:</b>  a) <b>Enhance its due diligence procedures with regard to the initial vetting of partners to include reference checks where appropriate;</b>  b) <b>In consultation with other United Nations agencies and the wider humanitarian community, develop mechanisms to share intelligence on implementing partners.</b>	a) 1 <sup>st</sup> Quarter 2015  b) 4 <sup>th</sup> Quarter 2015	Division of Financial and Administrative Management (DFAM) / Implementing Partnership Management Service (IPMS)	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. The new web-based "Partner Portal" has been developed and tested, and is planned to be launched for use in the first quarter of 2015. 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.  In respect of the recommendation to share intelligence on implementing partners, UNHCR will explore avenues and mechanisms for networking and

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				<p>exchanging information with other United Nations system organizations.</p> <p>In this respect, UNHCR discussed mechanisms of sharing information with UNDP, UNICEF and UNFPA. UNHCR also participated in a meeting of the High-Level Committee on Management of the Chief Executives Board in October 2014, where discussions were held on the harmonized system-wide approaches to fraud perpetrated by implementing partners. It is to be noted that the Inspector-General's Office of UNHCR is also taking part in inter-agency discussions on sharing fraud-related information as part of its participation in various fora such as:</p> <ul style="list-style-type: none"> <li>- <b><u>Conference of International Investigators (CII)</u></b> which brings together investigators from the United Nations and other agencies from around the world (including OLAF, World Bank, EBRD, IaDB, UN-OIOS, UNDP, UNHCR, WIPO, WHO, FAO, EIB) to discuss issues of common concern in the field of investigations and corruption.</li> <li>- <b><u>United Nations Representatives of Investigative Services (UN-RIS)</u></b> which is a new body that aims to strengthen investigation practices and professionalism in the UN system. The UN-RIS Annual Meeting convenes representatives of UN agency investigative functions to share experiences and develop an actionable plan with regard to emerging innovations, challenges and broader policy issues that impact the profession.</li> </ul>