

## Chapter 5 MONITORING, REPORTING AND EVALUATION

### Chapter Overview

**T**his chapter describes the activities required to implement and conclude a Sub-Project successfully. Both UNHCR and its implementing partners are responsible for monitoring the implementation phase to ensure timely, effective and appropriate support to the beneficiaries. As lead agency in refugee situations, UNHCR coordinates all refugee protection and assistance activities. Implementing partners must submit quarterly and final Sub-Project Monitoring Reports to UNHCR, to report actual achievements against planned objectives. Accounting records that implementing partners are required to maintain, and the process of instalment payments are explained, as well as the use of Supplementary Agreements in the event that a revision to the terms of the Sub-Project Agreement is necessary. The requirements to close the Sub-Project records on completion, and the provisions for audit, evaluation, inspections and investigations are also included in this chapter.

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### Section 5.1 Project Monitoring and Coordination

1. Why Does UNHCR Monitor Implementation?.....	101
2. UNHCR Monitoring Activities.....	102
3. Lead Agency Coordination.....	103

### Section 5.2 Sub-Project Monitoring Reports (SPMRs)

1. Reporting Requirements.....	104
2. Financial Monitoring Report (SPMR-Part 1).....	104
3. Performance Monitoring Report (SPMR-Part 2).....	105
4. Final SPMR – Parts 1 and 2 .....	105

### Section 5.3 Sub-Project Accounting and Payment of Instalments

1. Introduction.....	109
2. Instalment Plans and Payments.....	109
3. Financial Accounting: Implementing Partners.....	109
4. Final Adjustments.....	110

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<b>Section 5.4</b>	<b>Sub-Project Revisions and Supplementary Agreements</b>	
	1. When Circumstances Change.....	111
	2. Budget Adjustments.....	111
	3. Other Types of Revisions.....	112
<b>Section 5.5</b>	<b>Sub-Project Closure</b>	
	1. The Final Stage.....	113
	2. Final Sub-Project Monitoring Report (SPMR – Parts 1 and 2).....	113
	3. Assets.....	113
	4. Final Financial Adjustments.....	114
<b>Section 5.6</b>	<b>Audit</b>	
	1. Accountability.....	115
	2. Improving the Management of Sub-Projects.....	116
	3. Understanding the Sub-Project Agreement.....	116
	4. Financial Management of UNHCR Sub-Projects.....	117
	5. Supporting Documents for International (NGO) Partners.....	117
	6. Implementing Partner’s Audit Certificate.....	118
	7. Categories of Implementing Partners for Audit Purposes.....	118
	8. Audit .....	119
	9. Audit Provisions in UNHCR Agreements.....	120
	10. UNHCR Internal and External Audit Activities.....	120
<b>Section 5.7</b>	<b>Evaluation</b>	
	1. What Is Evaluation?.....	121
	2. Types of Evaluation.....	122
	3. The Evaluation and Policy Analysis Unit.....	122
<b>Section 5.8</b>	<b>Inspections and Investigations</b>	
	1. Inspections.....	123
	2. Reviews.....	123
	3. Investigations .....	124

## Section 5.1 PROJECT MONITORING AND COORDINATION

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1. Why does UNHCR Monitor Implementation?
  2. UNHCR Monitoring Activities
  3. Lead Agency Coordination
- 

### 1. WHY DOES UNHCR MONITOR IMPLEMENTATION?

1.1 During the implementation phase, monitoring measures progress towards the achievement of the planned objective(s). Monitoring Project activities enhances the effectiveness of performance. Monitoring provides management with one means to control Project activities and maximize outcomes for refugees. Monitoring also provides feedback which allows management to undertake timely corrective measures and improve operational plans.

1.2 Monitoring should not be confused with evaluation which assesses the continuing relevance, effectiveness, efficiency and impact of a project against its objectives (see Section 5.7), or audit which investigates compliance with pre-defined standards and procedures (see Section 5.6).

#### Monitoring

The ongoing review and control of the implementation of a Project (and all its Sub-Projects) to ensure that inputs, work schedules and agreed activities are proceeding according to plans and budgetary requirements.

1.3 Implementation is the phase of the Project in which the support to the beneficiaries is actually provided, in accordance with the stated objectives, the workplan and the budget. UNHCR has a responsibility to ensure that:

- a. The support provided is directed, wherever feasible, towards durable solutions.
- b. The overall principles guiding the project are scrupulously observed, concerning the type of assistance and the refugees (see Chapter 1).
- c. Progress is monitored regularly, and timely corrective action is taken when necessary.

1.4 Monitoring is a tool for reporting, analyzing data, facilitating decision-making and, if necessary, re-orienting Project and Sub-Project objectives. Project monitoring by UNHCR is required for all Projects, and includes both financial monitoring and performance monitoring, to ensure that:

- a. The project for the refugees, provided by the expenditure of UNHCR funds, has a positive impact on the well-being of the refugees.
- b. Implementation is in accordance with the Project Description and the Workplan.
- c. Financial expenditures are in accordance with the approved Budget.

## UNHCR MONITORING TECHNIQUES

<p style="text-align: center;"><b>Gather Quantitative Data</b></p> <p style="text-align: center;"><b>Provide Qualitative Analysis</b></p> <p style="text-align: center;"><b>Propose Corrective Action, When Necessary</b></p>	<p>!</p> <p>·</p> <p>·</p> <p>!</p> <p>·</p> <p>·</p> <p>!</p> <p>·</p> <p>·</p> <p>!</p>	<p>Regular meetings and visits</p> <p>Watch activities</p> <p>Talk to the refugees (both men and women)</p> <p>Surveys</p> <p>Gather information and opinions from many sources</p> <p>Measure performance indicators</p> <p>Analyze reports</p>
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## 2. UNHCR MONITORING ACTIVITIES

2.1 Monitoring progress during project implementation can only be accomplished satisfactorily if:

- a. Objectives are properly developed, and stated in a clearly defined and quantifiable way (see Section 3.3).
- b. Appropriate indicators are formulated to measure progress at the Sector and Sector-Activity level.

**Note:** *both the Sub-Project objectives and indicators may be modified, depending on the progress of the Sub-Project and the results of the monitoring process.*

2.2 Monitoring activities are conducted at various levels by:

- a. Partners, themselves, who are implementing Sub-Projects within a Project.

b. UNHCR Field Office personnel.

c. UNHCR Headquarters personnel (from the Bureau/Desk, the technical sections (DOS), the Programme Coordination and Operations Support Section (PCOS), the Finance Section.

d. Joint UNHCR and implementing partner assessments.

2.3 Monitoring requires direct observation and inspection of the implementing partner's operations, during spot visits to administrative offices and Sub-Project sites.

2.4 Monitoring mechanisms, which specify the country, Project and Sub-Project objective(s), include the Country Operations Plan, the Project submission and the Sub-Project Agreement with attached Sub-Project Description, Workplan and Budget. Properly prepared Workplans highlight critical activities which will lead to the success (or the failure, if not properly implemented) of the Sub-Project implementation phase. In

addition, the following may be reviewed and analyzed to compare planned and actual achievements:

- a. Periodic Sub-Project Monitoring Reports (SPMRs, see Section 5.2).
- b. Financial and other supplementary records (see Section 5.3) and documentation relevant to the Project.
- c. Implementing partners' financial and accounting procedures.

2.5 Sub-Project monitoring, control and reporting provisions are set out in the articles of the Sub-Project Agreement. The Agreement specifies record keeping and reporting requirements and the time limits for report submission to UNHCR. It also gives UNHCR personnel, or any other persons authorized by UNHCR, the right to visit implementing partners and Sub-Project sites, and to inspect any of the Sub-Project records (see Appendix C1).

2.6 For each Sub-Project, UNHCR Field Offices maintain a separate file in which all correspondence with the implementing partner is kept, together with a copy of the Sub-Project Agreement, any Supplementary Agreements (see Section 5.4), SPMRs, other reporting forms (e.g. for Health or Education), and the Final SPMR.

### 3. LEAD AGENCY COORDINATION

3.1 As the UN-designated lead agency in dealing with refugee situations, UNHCR facilitates the successful delivery of assistance and protection through coordination of the total refugee programme in a country or region (see Section 1.5). At the earliest opportunity, UNHCR brings together all the partners involved in assisting a particular group of refugees: representatives of the government(s) concerned, implementing partners and other self-funded operational partners. It should also be noted that, in complex humanitarian operations, the UN Office for the

Coordination of Humanitarian Affairs (OCHA) plays an important coordinating and catalytic role.

3.2 Coordination of assistance activities enhances communication among the concerned partners, to help provide timely, appropriate, cost-effective assistance to the beneficiaries, through the application of consistent standards, without duplication of effort, using effective management practices at all stages of the programme. UNHCR relies on the cooperation of its operational and implementing partners to plan, monitor, control, report on and assess refugee programmes and projects, and to ensure effective management of the financial, material and human resources used to seek and achieve durable solutions for refugees.

#### Keys to Effective Coordination and Cooperation

- Clear definition of roles and responsibilities.
- Regular meetings at both the site and central levels:
  - inter-agency,
  - partner-agency,
  - sectoral.
- Ongoing routine contact.
- Compatible communications equipment.
- Joint, participatory planning.
- Joint assessment and monitoring missions.

## Section 5.2 SUB-PROJECT MONITORING REPORTS (SPMRs)

- 
1. Reporting Requirements
  2. Financial Monitoring Report (SPMR – Part 1)
  3. Performance Monitoring Report (SPMR – Part 2)
  4. Final SPMR – Parts 1 and 2
- 

### 1. REPORTING REQUIREMENTS

1.1 Implementing partners must submit periodic Sub-Project Monitoring Reports (SPMRs) to the UNHCR Field Office in a timely manner, to report actual achievements against planned achievements, as described in the Sub-Project Description and the Budget attached to the relevant Sub-Project Agreement. SPMRs are required for **all** Agreements signed with implementing partners. Reporting requirements are specified in the Basic Sub-Project Data in the Agreement.

1.2 The periodic SPMR is divided into two parts:

- a. Financial Monitoring Report (Part 1), required whenever an instalment is requested (see Section 5.3), or at least quarterly and two weeks after the final liquidation date.
- b. Narrative Performance Monitoring Report (Part 2), required semi-annually and on completion of the Sub-Project.

1.3 Where two Sub-Project Budgets (for a partner implementing in two currencies) have been attached to one Sub-Project Description in one Agreement, two separate Financial SPMRs-Part 1 are required for reporting against the two Sub-Project Budgets. However, only one Performance SPMR-Part 2 is required. This arrangement ensures that the reports submitted correspond to the Description of Assistance in the Sub-Project Description.

1.4 Exceptionally (see Section 4.1), Agreements with implementing partners may be signed at UNHCR Headquarters; these are subject to the same reporting requirements as Agreements signed by the Field Office. SPMRs are submitted to the appropriate Field Office for project consolidation and internal reporting purposes.

### 2. FINANCIAL MONITORING REPORT (SPMR – PART 1)

2.1 When the Sub-Project Agreement is signed, an initial SPMR-Part 1 is provided to the implementing partner, either as an attachment to the Agreement or with the cheque for the first instalment. The initial SPMR-Part 1 is a print-out of the approved Budget for each budget line, at the detail level selected (in most cases, this will be at the Sub-Item level).

2.2 The implementing partner must complete the disbursement and commitment information on the SPMR-Part 1, summarize and certify the data, and forward it to the UNHCR Field Office, as follows:

- a. Whenever an instalment is requested, i.e. when the balance of cash on hand from all previous instalments is reduced to 30 per cent or less of the last instalment received by the implementing partner.
- b. Quarterly (March, June, September, December), on the dates specified in the table on the next page.

2.3 The Field Office verifies the information, updates on-line the Sub-Project Data and prints out a new SPMR-Part 1 which is sent to the implementing partner, to be completed for the next Report.

2.4 If a Sub-Project terminates on 31 December and is liquidated by 31 January, the December SPMR-Part 1 can be replaced by the Final SPMR-Part 1 (see below).

### 3. PERFORMANCE MONITORING REPORT (SPMR – PART 2)

3.1 This Report explains the meaning of the financial information provided in Part 1, and must be at the Sector-Activity level. In the Report, the implementing partner measures its performance against the previously agreed plan described in the Sub-Project Description.

3.2 In typed or word processed format, the SPMR-Part 2 should identify the Sub-Project symbol, Sub-Project start and end dates, the implementing partner and the reporting period. Using each Sector-Activity in the Description of Assistance in the Sub-Project Description attached to the Sub-Project Agreement as headings, the Report must include a narrative

description of performance (progress, achievements, impact, problems, solutions, as appropriate), for each.

3.3 The SPMR-Part 2 is submitted to the UNHCR Field Office semi-annually (June and December), on the dates specified in the table below. If a Sub-Project terminates on 31 December and is liquidated by 31 January, the December SPMR-Part 2 can be replaced by the Final SPMR-Part 2 (see below).

### 4. FINAL SPMR – PARTS 1 AND 2

4.1 The complete Final SPMR-Parts 1 and 2 must be submitted to the UNHCR Field Office within two weeks after the final date for liquidation of obligations.

4.2 The Final SPMR-Part 1 reports all disbursements in the period from the start of the Sub-Project to the final date for liquidation of obligations.

4.3 The Final SPMR-Part 2, covering the period from the start of the Sub-Project to the termination date, must be presented as a typewritten or word processed narrative report, using the following headings:

#### SPMR SUBMISSION SCHEDULE

Type of Report	Period Ending	Date Due
SPMR-Part 1	March 31	April 10
SPMR-Parts 1 & 2	June 30	July 15
SPMR-Part 1	September 30	October 10
SPMR-Parts 1 & 2	December 31	February 15
Final SPMR-Parts 1 & 2	Two weeks after the final liquidation date of obligations	

- a. **Sub-Project Objective/Overview:** state the Sub-Project objective(s) and provide a concise review of progress achieved in meeting the planned objectives.
- b. **Description of Beneficiaries:** show the actual number of beneficiaries assisted against the planned number.
- c. **Implementation Procedures:** provide a brief explanation to indicate if procedures were implemented according to plan, and any modifications made during the course of the Sub-Project.
- d. **Related Inputs/Sub-Projects:** describe any other inputs for the same beneficiaries which were not funded by UNHCR.
- e. **Description of Assistance** (protection/material assistance): for each Sector-Activity included in the Sub-Project Description, provide an explanation of actual achievements against planned, using the performance indicators in the Sub-Project Description. Where the Sector-Activity was not (or only partially) met, identify reasons for delays or failures. Note any corrective action taken. Specify details and impact of any activities for refugee women/gender equality, refugee children and adolescents and other UNHCR programme priorities. Provide any relevant information about lessons learned during implementation.

### Monitoring

It is recommended that UNHCR Offices establish jointly, through agreed and signed minutes with each implementing partner, an annual monitoring and reporting schedule/plan.

This should indicate in a transparent manner the time and location of monitoring visits, which will include expenditure verification at the accounting office.

This is of particular importance in complex operations where partners have a widespread presence in a number of locations and disburse funds in more than one cost centre.

4.4 On the following pages is a Worksheet which can be used as a guide in preparing the SPMR-Part 2. The Worksheet poses questions based on the final SPMR. but it can be easily adapted for the mid-year PMR due in July.

## SUB-PROJECT REPORTING AND EVALUATION WORKSHEET

### Sub-Project Objective/Overview

What progress has been achieved in meeting the overall objective of the Sub-Project?

Was the overall objective appropriate and relevant?

What progress was achieved in terms of durable solutions for the Sub-Project beneficiaries?

### Description of Beneficiaries

Is the actual number of beneficiaries the same as the planned number?

Has the demographic profile of the beneficiaries remained consistent throughout the Sub-Project duration?

What important lessons have been learned about the composition, profile, culture, daily activities, resources, etc. of the beneficiaries during Sub-Project implementation that should be taken into account in future assistance activities in order to better target assistance and ensure good value for money?

### Implementation Procedures

Have the implementation procedures been according to plan? If not, what changes have taken place and why?

Has Sub-Project coordination been satisfactory? If not, what were the problems? Why did they occur? How can they be avoided in the future?

What lessons have been learned about how best to implement this type of Sub-Project during implementation that can be applied elsewhere?

### Related Inputs/ Sub-Projects

Were any additional Inputs/Sub-Projects not foreseen provided to the Sub-Project beneficiaries? If so, what impact did they have on the Sub-Project?

### Description of Assistance (For each Sector-Activity)

What has actually been achieved during the Sub-Project implementation period and how does it compare with planned achievements?

If actual achievements were different from planned achievements, what caused the delay or failure?

Were the performance indicators and means of verification appropriate and relevant to the sector-activity's planned achievements? Was information systematically gathered to measure the ongoing progress in Sub-Project implementation? If not, what lessons have been learned that can be applied to future Sub-Projects of this type?

Were the activities an appropriate and efficient means for meeting the planned achievements and the sector (if relevant) and Sub-Project objectives? If not, how were they adapted during the course of Sub-Project implementation? What lessons have been learned regarding activities/means of achieving objectives that can be applied to future Sub-Projects?

Was the implementation timely and in accordance with established Workplans? If not, what caused the delay and can such delays be avoided in the future?

What extraordinary steps, if any, were taken during Sub-Project implementation to ensure achievement of objectives?

How was the Sub-Project monitored and controlled and, on the basis of these, was corrective action taken?

What was the impact of this sector-activity on women gender equality? On children? On other categories of beneficiaries with special needs e.g. older refugees, HIV/AIDS? On the environment?

### Workplans

Were Workplans established on at least a Sub-Project and sector-activity basis and were schedules adhered to? Did the Workplans facilitate Sub-Project implementation? What lessons have been learned about the planning and implementation of the Sub-Project that can be applied to other Sub-Projects of this type?

### Overall Sub-Project Evaluation/ Impact

Was the Sub-Project a success? What is the likely long-term impact? Is it sustainable? What overall lessons have been learned?

## Section 5.3 SUB-PROJECT ACCOUNTING AND PAYMENT OF INSTALMENTS

- 
1. Introduction
  2. Instalment Plans and Payments
  3. Financial Accounting: Implementing Partners
  4. Final Adjustments
- 

### 1. INTRODUCTION

UNHCR is accountable to its donors and its Executive Committee for the funds entrusted to it to provide protection and assistance, and to seek durable solutions for refugees. To fulfil this obligation and to comply with the *Financial Regulations and Rules of the United Nations and the Financial Rules for Voluntary Funds Administered by the High Commissioner*, UNHCR requires specific financial accountability on the part of its implementing partners.

### 2. INSTALMENT PLANS AND PAYMENTS

2.1 For each Sub-Project budget, the implementing partner should propose an instalment plan for inclusion in the Sub-Project Agreement. The instalment plan indicates the cashflow requirements to implement the Sub-Project during the course of the year.

2.2 Common practice has been to request four equal instalments, paid by the UNHCR Field Office when the Sub-Project Agreement is signed (first instalment), and on submission of the three subsequent quarterly Sub-Project Monitoring Reports (SPMR-Part 1, see Section 5.2). Note that an instalment is not normally paid unless disbursements and commitments reported on the SPMR-Part 1 demonstrate that cash on hand has been reduced to less than 30 per cent of the last instalment and implementation to date has been satisfactory.

2.3 The instalment plan can request more or less frequent payments. In larger Sub-Projects, more frequent instalments may be requested, e.g. monthly. Circumstances may suggest that instalments are only necessary semi-annually. In every case, a SPMR-Part 1 must be submitted each time an instalment is requested.

2.4 With UNHCR's agreement, the implementing partner's proposed instalment plan is incorporated as the Indicative Cash Requirements in the Basic Sub-Project Data in the applicable Sub-Project Agreement (see Appendix C1).

2.5 The UNHCR Field Office uses the instalment plan to forecast internal cash requirements, and to request funds from Headquarters to be able to make the payments when necessary. Because Sub-Project funding basically comes from UNHCR's donors, it should be remembered that Sub-Projects may have to be suspended due to a lack of available funds.

### 3. FINANCIAL ACCOUNTING: IMPLEMENTING PARTNERS

3.1 The minimum requirements for financial accounting and record keeping by UNHCR's implementing partners are specified in the Sub-Project Agreement and the related Appendix 1 (see Appendix C1 of this Handbook). Provision is also made to allow UNHCR to audit the implementing partner's accounts. In addition, UNHCR will conduct visits to implementing partner

offices in order to verify SPMRs by inspecting implementing partner's accounting records.

3.2 UNHCR requires its implementing partners to maintain a separate bank account to record and control the funds received from UNHCR and paid out in the implementation stage. Only if this is impossible (e.g. in the case of a government agency which operates financially within the consolidated accounts and controls of the government), the partner should, as a minimum, maintain a control account showing receipts and disbursements of UNHCR funds by Sub-Project budget.

3.3 Implementing partners are expected to maintain accounting records in sufficient detail to allow all receipts, commitments and disbursements of Sub-Project funds to be readily identifiable. Accounting records should include a general ledger accounting system (hard copy or computerized), bank statements and reconciliations, a cash book to record receipts and disbursements, inventories of non-expendable property, staffing tables and employment contracts, purchasing contracts, and building contracts and sub-contracts. Documentation should also include back-up material to substantiate the accounting records, such as receipt and payment vouchers (identifying who paid/received money to/from whom, when, how much and for what), commitment records, bid documents and analyses, receiving and distribution reports, SPMRs and audit reports.

3.4 Implementing partners should establish their accounting records in a way which facilitates the preparation of the reports required by UNHCR, i.e. the accounting system should be detailed enough to provide the receipt, commitment and disbursement information necessary for each budget line item in the Sub-Project Agreement.

#### 4. FINAL ADJUSTMENTS

4.1 The Sub-Project Agreement indicates the termination date for the Sub-Project and the liquidation date for all Sub-Project disburse-

ments. The liquidation date is normally one month after the termination date, and is the last date on which the implementing partner can make disbursements against Sub-Project commitments. No new commitments are to be entered into after the termination date.

4.2 The Sub-Project accounting records should be complete, therefore, after the liquidation date. The implementing partner can then consolidate the financial information for the Final SPMR-Part 1, and calculate the amount owing to or due from UNHCR. The closure of a Sub-Project requires a final accounting and settlement of any outstanding balance (see Section 5.5).

#### Separate Accounts

Implementing Partners shall deposit all remittances received from UNHCR into a separate bank account unless the deposit into a general or pool account has been authorized in the Sub-Project Agreement.

The use of a general or pool account may be authorized if the deposit and the use of UNHCR funds remain traceable.

The account into which the UNHCR remittances are deposited should be interest bearing.

In the case of a general or pool account, any interest earnings shall be apportioned according to the source of funds and a fair share shall be credited to the UNHCR Sub-Project.

*Sub-Project Agreement,  
Appendix 1, para.6.*

## Section 5.4 SUB-PROJECT REVISIONS AND SUPPLEMENTARY AGREEMENTS

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1. When Circumstances Change...
  2. Budget Adjustments
  3. Other Types of Revisions
- 

### 1. WHEN CIRCUMSTANCES CHANGE...

1.1 Revision of a Sub-Project Agreement may be required when the circumstances governing the initial Agreement have changed. Revisions are incorporated into the Sub-Project documentation using a Supplementary Agreement when the original Sub-Agreement must be revised because of:

- the need to change a Sub-Project objective due to implementation difficulties, a change in the political situation, etc.;
- increasing or decreasing numbers of beneficiaries;
- the need for expanded or reduced services;
- delays in implementation;
- earlier-than-planned phase-out; or
- inflation or increasing unit costs.

1.2 Implementing partners have a responsibility to keep the UNHCR Field Office informed concerning the progress of Sub-Project implementation, and any problems or issues, which may affect the terms of their Agreement with UNHCR, as soon as they arise. Particularly when the situation indicates that the Sub-Project objectives or Sub-Project Description must change, initiatives are needed in new Sectors, or delays are encountered, UNHCR must be given

the opportunity to examine the 'big picture'. UNHCR must consider all options (revisions, new Sub-Projects, additional funding allocations) to ensure that the assistance provided to the beneficiaries is timely, cost-effective and appropriate to their needs.

1.3 Any change in a Sub-Project requires a Supplementary Agreement. Some changes, however, also require the UNHCR Field Office to obtain Headquarters approval. When an implementing partner proposes a change to the UNHCR Field Office, Headquarters approval is required to extend the liquidation period, to extend (exceptionally) the duration of the Project/Sub-Project itself, or if the answer to any of the following questions is 'Yes':

- a. Does the change result in an increase to the total project Budget (attached to UNHCR's Letter of Instruction)?
- b. Does the change involve a new Sector?
- c. Will the change result in a Budget variation exceeding the allowable percentage limit?

1.4 A model Supplementary Agreement (Appendix D) shows the revised Sub-Project Data elements to be incorporated, depending on the nature of the Sub-Project revision required. A copy of the Basic Sub-Project Data (see Appendix C1), revised if necessary, is *always* attached to the Supplementary Agreement. A copy of the Budget or the Sub-Project Description is attached only if revised.

1.5 A new Supplementary Agreement is signed by all parties to the original (and any subsequent) Sub-Project Agreement, and becomes an integral part of the total Sub-Project Agreement.

## 2. BUDGET ADJUSTMENTS

The Sub-Project Agreement (see Appendix 1, para. 2 to the Agreement, reproduced in Appendix C1 of this Handbook) permits implementing partners to make transfers within the budget at the "Item" level, unless otherwise indicated in the Basic Sub-Project Data (article 2.07), provided that the amount transferred does not increase or decrease sector level totals by more than 15 per cent and that the budget total is not exceeded. Any such transfers exceeding 15 per cent shall be subject to prior consultation with, and to written authorisation by UNHCR; this will also require an authorized revision to the budget. A Supplementary Agreement will need to be prepared to reflect the approved change(s).

## 3. OTHER TYPES OF REVISIONS

The UNHCR Field Office may formulate a Supplementary Agreement, for numerous other agreed (and Headquarters approved, if necessary) reasons, such as:

- a. to revise the Sub-Project Description;
- b. to change the end date of a Sub-Project (either to terminate early or to extend the date);
- c. to extend the liquidation period for outstanding commitments; or
- d. to modify, add or delete reporting requirements or annexes to the Agreement.

### Changed Circumstances

If during the period covered by this Agreement, the Agency is prevented from carrying out its obligations referred to in the Agreement, this fact shall be reported to UNHCR who shall decide what arrangements, if any, shall be made to further implement or curtail the Sub-Project.

Should the number of beneficiaries, for whom assistance was foreseen under the Sub-Project, significantly change from the number originally envisaged, or if for any reason, changed circumstances reduce or increase the need for assistance in the amounts as originally foreseen, UNHCR shall be immediately informed so that, after mutual consultation, UNHCR can adapt its participation in the Sub-Project to the new situation or discontinue it as the circumstances may warrant.

*Sub-Project Agreement  
Art.8.04.1 & 2*

## Section 5.5 SUB-PROJECT CLOSURE

- 
1. The Final Stage
  2. Final Sub-Project Monitoring Report (SPMR – Parts 1 and 2)
  3. Assets
  4. Final Financial Adjustments
- 

### 1. THE FINAL STAGE

1.1 When the terms of an implementing Agreement have been fulfilled and the Sub-Project is complete, the implementing partner must comply with the UNHCR requirements for Sub-Project closure.

1.2 Sub-Project closure allows UNHCR to:

- a. compare actual with planned performance and analyze the results, which are of interest to UNHCR management, as well as a requirement for reporting to donors;
- b. assess the performance of all those involved in delivering, monitoring and administering the assistance;
- c. identify management and control weaknesses for corrective action and communicate the lessons learned to assist future projects;
- d. ensure that the implementing partner has spent the instalments in accordance with the Sub-Project Budget, and that any balance owing is agreed and accounted for, either as a deduction from an instalment for a succeeding Sub-Project (with the same implementing partner) or, as a refund repaid to UNHCR;

e. record and report the disbursement of donor and UN funds, to fulfil UNHCR's statutory requirements; and

f. close the Sub-Project and archive the files.

### 2. FINAL SUB-PROJECT MONITORING REPORT (SPMR – PARTS 1 AND 2)

The Final SPMR, Parts 1 and 2, is due from the implementing partner to the UNHCR Field Office or Headquarters unit responsible for the Sub-Project within two weeks of the liquidation date for the Sub-Project (see Section 5.2).

### 3. ASSETS

3.1 Section 4.3 of this Handbook describes UNHCR's requirements in relation to Asset Management. In the following paragraphs, the terms "assets" and "non-expendable property" are used interchangeably.

3.2 If the Sub-Project involved the use of assets provided by UNHCR, the implementing partner must submit a completed Inventory Form (to be provided by UNHCR). UNHCR will then reconcile the implementing partner's inventory against UNHCR's inventory records. Any discrepancies will be resolved through consultation between UNHCR and the implementing partner.

3.3 In accordance with the terms of the assets provisions of the Sub-Project Agreement, implementing partners should note that they are required to consult with UNHCR concerning the disposition of assets at least 90 days prior to the termination of the Sub-Project (see Appendix B1). It is for UNHCR to decide on the eventual disposal of these assets. The various methods of disposal are listed in Section 5.1.2. Among these possibilities are redeployment to another UNHCR Office or operation, sale, transfer of ownership to the implementing partner or write-off. This decision should be obtained in writing and kept with the Sub-Project records, and noted on the final Inventory Form.

3.4 As noted in Sub-Section 5.3, if UNHCR decides to transfer the ownership of an asset to an implementing partner, the transfer is to be effected through an ***Agreement on the Transfer of Ownership of UNHCR Assets*** (see Appendix E).

#### 4. FINAL FINANCIAL ADJUSTMENTS

4.1 The responsible UNHCR Office reviews the Final SPMR, Part 1, to reconcile the submission with UNHCR's record of instalments paid, to verify the accuracy and completeness of reported disbursements against budget, and to confirm signatures.

4.2 In the event that a refund is due to UNHCR from an implementing partner (i.e. instalments paid exceed disbursements), the payment should accompany the Final SPMR. Alternatively, UNHCR may deduct the amount due from any other payment owing to the implementing partner, e.g. for a concurrent or next year's Sub-Project. Should UNHCR fail to receive the balance owing or if the amount cannot be offset against another Sub-Project, an account receivable will be established.

4.3 In the event that a Sub-Project has been overspent (i.e. disbursements exceed instalments paid), the implementing partner may:

- a. offer to cover the over-expenditure from their own funds; or
- b. present justification for the reported over-expenditure, with a request for reimbursement. In this latter case,
  - if UNHCR agrees that the over-expenditure is justified, it will review the entire Project Budget to identify any savings, in an effort to reallocate funds to the overspent Sub-Project. If funds can be reallocated, a Supplementary Agreement (see Section 5.4) is made to revise the Sub-Project Budget; this will require the preparation of a revised Final SPMR from the implementing partner; if reallocation within the Project is not feasible, the responsible UNHCR Office must seek advice from Headquarters to determine other possible sources of funds;
  - if UNHCR considers the over-expenditure to be unjustified, the Final SPMR will be adjusted accordingly, and a letter of explanation sent to the implementing partner requesting reimbursement of the over-expenditure to UNHCR.

## Section 5.6 AUDIT

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1. Accountability
  2. Improving the Management of Sub-Projects
  3. Understanding the Sub-Project Agreement
  4. Financial Management of UNHCR Sub-Projects
  5. Supporting Documents for International (NGO) Partners
  6. Implementing Partner's Audit Certificate
  7. Categories of Implementing Partners for Audit Purposes
  8. Audit
  9. Audit Provisions in UNHCR Agreements
  10. UNHCR Internal and External Audit Activities
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*“Many of UNHCR’s long-standing implementing partners are not fully aware of the ‘requirements, procedures and documentation necessary’ and a number of audit findings presented in this report can be partly explained by a lack of understanding or knowledge of UNHCR’s requirements.”*

**Chief, UNHCR Audit Service, OIOS, 30 October 2000**

### Audit Findings

The Report of the Board of Auditors for the year ended 31 December 2001 made a number of recommendations related to audit certificates of implementing partners.

The contents of Section 5.6 cover current practice as at February 2003.

### 1. Accountability

1.1 UNHCR is first and foremost accountable to the refugees, whom it is uniquely mandated to protect. Under their respective Agreements, implementing partners are likewise accountable for the use of Sub-Project funds.

1.2 UNHCR’s ability to provide refugees with international protection is almost entirely dependent on the receipt of sufficient voluntary contributions from the international community.

1.3 UNHCR and its implementing partners are therefore also accountable to the international community and other donors for the use of their respective contributions.

1.4 Operations staff must bear in mind, that concerned donors are unlikely to see the concrete Sub-Project achievements for themselves. Rather it is the **Sub-Project Monitoring Reports (SPMRs)**, both narrative and financial, that inform the donor on the use of its contribution.

1.5 If the reports produced, particularly those reflecting the disbursement of Sub-Project funds, do not even comply with the basic requirements and procedures laid out in the concerned Agreements, then no matter how well implemented the

Sub-Project activities may be, concerned donors will likely question the use of their contributions.

Concerned project staff must therefore ensure that the international community, on whose generosity refugees are dependent, are provided with documentation that accurately reflects the achievements on the ground.

1.6 Operations staff, for obvious reasons, tend to focus their efforts primarily on the actual implementation of Sub-Project activities and on ensuring the overall well being of the beneficiaries. However, partners and UNHCR staff must also place due emphasis on ensuring that Sub-Project documentation of an appropriate standard is produced and provides donors with proof that their donations have been used as intended.

1.7 Failure to do so can directly jeopardise future assistance to the very beneficiaries that operations staff work so hard to help.

## 2. Improving the Management of Sub-Projects

UNHCR is committed to improving the quality of Sub-Project management, particularly financial management.

2.1 Over the past few years, many refugees have suffered the consequences of UNHCR's funding shortfalls, as assistance has had to be suspended, curtailed and even cancelled, when necessary contributions failed to materialise. Furthermore, many partner and UNHCR operations staff members on the ground have had to cope with explaining to their beneficiaries, and

concerned government authorities, that they no longer have the means to continue their unquestionably critical assistance. Well-managed Projects are one way of assuring donors of the quality of UNHCR's work and of its partners, thereby maintaining donor confidence.

2.2 UNHCR and partner staff must therefore make every effort to ensure that the very real value of their work in the field is accurately conveyed, through their Sub-Project reports, to the donor community.

PCOS (Programme Co-ordination and Operations Support Section) aims to provide partner and UNHCR staff with the guidance to assist them in this process.

## 3. Understanding the Sub-Project Agreement

3.1 Experience has repeatedly shown that the Key Articles of UNHCR Sub-Project Agreements are not sufficiently understood. This has meant that on many occasions, both UNHCR and partner staff have failed to ensure compliance with even the most basic of Sub-Project regulations.

3.2 When entering into Sub-Project negotiations and before signing the Agreement, implementing partners should seek clarification from their UNHCR counterparts on the key Articles of the Agreement and the responsibilities contained therein and should discuss any open issues and questions.

3.3 The Sub-Project Agreement, together with explanations of their content, are attached as Appendix C to this Handbook. It should be noted that the Annexes to the Agreement, including Appendix 1, *Financial and Programmatic Arrangements*, are an integral part of this Agreement.

## 4. Financial Management of UNHCR Sub-Projects

### 4.1 Sub-Project Accounting

4.1.1 The UNHCR Field Office is responsible for ensuring that all selected implementing partners fulfil UNHCR's **Four Basic Conditions** (see Section 1.6).

4.1.2 However, it has been a repeated observation of UNHCR's internal and external auditors that these basic requirements have often not been fully met.

4.1.3 The implementing partners' accounting system must enable UNHCR Sub-Project expenditure to be separately identifiable and thus facilitate the preparation of the required financial reports.

#### Audit recommendation

Prior to entering into a partnership, UNHCR needs to assess the capability of the partner's systems and procedures to ensure that UNHCR's objectives in the context of financial, budgetary and reporting requirements can be achieved.

### 4.2 Maintaining Separate Sub-Project Accounts/Records

4.2.1 The second basic condition governing the selection of implementing partners states that an implementing partner has "the ability to maintain separate accounts and/or accounting records for any expenditures incurred on behalf of UNHCR".

4.2.2 Furthermore, and in accordance with the Appendix 1, (par. 8.1) of the Sub-Project Agreement:

*"Implementing partners shall maintain separate project records and accounts."*

4.2.3 Whether an implementing partner maintains a separate bank account for UNHCR funds or not (for legal or practical reasons for UNHCR funds may be deposited into a pool account), UNHCR funds must be traceable in the partner's accounting system.

## 5. Supporting Documents for International (NGO) Partners

5.1 As UNHCR's project monitoring and management is carried out in the field, it should be a prerequisite that copies of all supporting documents be maintained locally, e.g. records covering international NGO headquarters and regional expenditure.

5.2 The financial information relating to UNHCR Sub-Projects for many international NGOs is dispersed between their headquarters, regional and field offices. In addition, there is often little documentation available relating to headquarters expenditure, e.g. on international procurement and international staff costs.

5.2 While international NGOs may have "original" financial documentation at various locations (e.g. headquarters and regional offices), copies of supporting documents for all transactions effected elsewhere must be maintained in the field and indicate the location of the originals.

#### Audit recommendation

A file should be maintained reflecting transactions for every budget line reported in Sub-Project financial reports.

## 6. Implementing Partner's Audit Certificate

The United Nations Board of Auditors, UNHCR's external audit body, has repeatedly noted lack of compliance by implementing partners with the requirement of submitting audit certificates for Sub-Projects implemented on behalf of UNHCR.

6.1 UNHCR made the audit certification clause mandatory for all Sub-Projects as of 1 January 1997, when a Sub-Project Agreement has an *aggregate budget* (see box below) value of US\$ 100,000 or more. For all UNHCR Sub-Project Agreements having a budget value of less than US\$ 100,000, UNHCR reserves the right to request an audit. This provision would be invoked in situations where there are concerns regarding the financial management of a Sub-Project, e.g. when the necessary supporting documentation for the verification of Sub-Project financial reports is lacking. These provisions ensure that the financial records and reports of all UNHCR's implementing partners are subject to audit.

Audit certificates (audited financial statement and audit opinion) from implementing partners are an essential component of UNHCR's control systems, reassuring management and donors that they can rely upon implementing partner's Sub-Project reports, i.e. final sub-project monitoring reports (FSPMR).

6.2 The Sub-Project Agreement requires implementing partners' final Sub-Project accounts to be certified by an appropriate audit authority (see Appendix 1 to the Agreement, par. 10).

6.3 On this issue, the UN Board of Auditors, strongly supported by the General Assembly's Advisory Committee on Administrative and Budgetary Questions (ACABQ), has stressed that UNHCR should ensure that audit certificates are submitted by implementing partners in sufficient time for UNHCR to have the necessary assurance about the regularity, compliance and propriety of expenditures incurred by the partners as reflected in their financial statements.

6.4 Certification may be obtained in several ways but, in all instances, it should result from an objective (external) audit and state, as a minimum, that the implementing partner's financial statements give a true and fair picture of the financial transactions and that the funds provided by UNHCR were used for the purposes intended and in accordance with the Sub-Project Agreement.

6.5 Guidelines on the engagement of external auditors contracted to audit UNHCR Sub-Projects are provided as Annex F.

## 7. Categories of Implementing Partners for Audit Purposes

### Aggregate value

This means that if an implementing partner is implementing several Sub-Projects, under separate Agreements, if these budgets added together exceed US\$ 100,000 (or equivalent), then an audit certificate will be required.

7.1 UNHCR differentiates between the various categories of implementing partners for audit purposes, as follows:

7.1.1 **United Nations agencies**, for which no additional audit certification will be sought by UNHCR, other than the annual audited financial statements by the same or comparable authority that audits UNHCR's accounts;

7.1.2 **Governmental partners**, for which an audit certificate is now required within six months of the final date for liquidation of commitments and limited to governmental partners having projects of aggregate budget value of US\$ 100,000 and above;

Governmental implementing partners should be audited by the government's highest audit institution (Auditor General or Court of Audit).

7.1.3 **International NGOs**, for which audit certificates are required within six months of the end of the organization's fiscal year and limited to partners having Sub-Projects with an aggregate budgetary value of US\$ 100,000 and above.

7.1.4 **National NGOs**, for which audit certificates are required within six months of the final date for liquidation of commitments for all Sub-Project Agreements, or series thereof, having an aggregate budgetary value of US\$ 100,000 or more in any given year. The cost of these audits will be funded directly by UNHCR.

The National NGO will engage, with the assistance of and in consultation with UNHCR, auditors in accordance with the *"Guidelines for the engagement of audit firms for the external audit of UNHCR Sub-Projects implemented by National NGO implementing partners"*, attached as Annex F.]

#### International (NGO) partners may:

- engage a firm of Certified Public Accountants to audit and certify the Sub-Project specifically; or
- provide the organisation's audited consolidated financial statements, provided that UNHCR funded Sub-Projects are clearly identified as such and that the audit opinion confirms that UNHCR funds were also audited as part of the organisation's regular audit exercise ("single audit concept").

## 8. Audit

8.1 Article 12 of the *Financial Rules for Voluntary Accounts Administered by the High Commissioner for Refugees* states that all expenditures incurred by UNHCR are subject to:

- i) Internal audit by the UNHCR Audit Service of the Office of Internal Oversight Services (OIOS); and
- ii) External audit by the United Nations Board of Auditors.

8.2 The scope of an audit, whether external or internal, is not limited to verifying financial transactions only. An audit also covers operational and managerial aspects of programme implementation, providing a critical assessment of performance and making recommendations for corrective action.

8.3 The scope of the audit will also cover visits to UNHCR implementing partners to seek assurances that the accounting and control mechanisms over the UNHCR funds follow generally acceptable accounting standards.

## 9. Audit Provisions in UNHCR Agreements

9.1 UNHCR Sub-Project Agreements include provisions for audit (see paragraphs 9, 10 of Appendix 1 to the Agreement). These clauses are statutory requirements and provide the basis on which UN auditors may conduct operational and financial audits of a project.

9.2 Specifically, paragraph 9.1 of Appendix 1 of all Sub-Agreements states that the Government/ Agency shall:

*“facilitate inspection and audit of the Sub-Project by the UNHCR Audit Service of the United Nations Office of the Internal Oversight Services, the UNHCR Inspector General’s Office, or any other person duly authorized by UNHCR”.*

9.3 Should they at any time wish to do so, the United Nations Board of Auditors may also carry out an audit of the Sub-Project. Audits of the Sub-Project will include, *inter alia*, the examination of the Sub-Project accounting records in order to determine that the charging of administrative and operational support costs to the Sub-Project complies with those specified in the annexes to the UNHCR Agreement.

9.4 For auditing purposes, Sub-Project accounting records shall be retained for six years following the Sub-Project’s termination.

## 10. UNHCR Internal and External Audit Activities

10.1 When auditing implementing partners, both internal and external auditors conduct their examination and appraisal with reference to the terms set out in the relevant Sub-Project Agreement.

10.2 Implementing partners should refer to the “**Audit Checklist**” below to facilitate the auditors’ visit and gain the maximum benefit from their inspection.

### Checklist for Assisting an Audit

In the event of an audit, partners should:

- clarify the scope of the audit to be conducted;
- meet with the auditors when they arrive; provide them with organisation charts, documented procedures, job descriptions, contact names, position titles, telephone and fax numbers, business and home addresses, as available and required;
- introduce the auditors to key staff; make it clear that they are to receive full co-operation from all staff;
- provide the auditors with a small workspace for them to keep papers, hold interviews, etc.; transportation to Sub-Project sites may also be necessary;
- make available:
  - all relevant files and accounts (up-to-date);
  - archived files, clearly marked and easily accessible for historical reference if needed;
  - up-to-date inventory of assets purchased with UNHCR funds;
- on completion of the audit, meet to discuss preliminary findings and provide any final clarifications.

## Section 5.7 EVALUATION

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1. What is Evaluation?
  2. Types of Evaluation
  3. The Evaluation and Policy Analysis Unit (EPAU)
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### 1. WHAT IS EVALUATION?

1.1 The primary purpose of evaluation is to provide UNHCR managers and staff with useful information, analysis and recommendations, thereby enabling the organization to engage in more effective policymaking, planning, programming and implementation.

1.2 Evaluations also serve a number of other important purposes. These include:

- assisting UNHCR to learn lessons from its operational experience;
- providing stakeholders, especially refugees, with an opportunity to present their assessment of UNHCR activities;
- drawing organizational and international attention to specific refugee issues and situations;
- identifying examples of good practice that can be incorporated in training programmes;
- promoting team-building and inter-agency cooperation; and
- fostering a transparent and self-critical culture within UNHCR.

1.3 The evaluation function in UNHCR is guided by five key principles: transparency, independence, consultation, relevance and integrity. A document titled *UNHCR's Evaluation Policy* elaborates on these principles and sets

out the evaluation procedures that the organization uses to ensure that they are respected.

#### Evaluation

An analysis and assessment, as systematic and objective as possible, of UNHCR's policies, programmes, projects, practices or procedures, focusing on their planning, design, implementation and impact.

1.4 Evaluations are of little value if they do not lead to organization learning and change. It is therefore essential for all evaluation projects to be carefully planned. In this respect, three principles are of particular importance. First, there should always be a clear understanding of why an evaluation is being undertaken and how its findings and recommendations will be used. Second, key stakeholders, including refugees whenever possible, should be involved at each stage of the evaluation process. Third, evaluation projects should not be brought to an end at the point when a report is published, but should incorporate an active programme of dissemination and implementation.

1.5 Evaluation must be distinguished from both inspection and audit. Inspection focuses primarily on the quality of UNHCR management and representation, and is undertaken on a confidential basis for the High Commissioner. The main purpose of audit is to ensure compliance with UNHCR's financial rules and regulations. All three functions are represented on UNHCR's Oversight Committee.

## 2. TYPES OF EVALUATION

2.1 UNHCR encourages the use of different evaluation methods, according to the nature of the issue or programme under review.

2.2 High profile operations and controversial policy issues are best examined by means of *independent evaluations*, undertaken by teams of multi-disciplinary and multi-national teams of consultants who are selected by a process of competitive bidding. The distinguishing characteristic of such evaluations is that UNHCR exercises no editorial control over the content of the final report.

2.3 In emergency situations, *real-time evaluations*, undertaken in the early stages of a UNHCR operation, have a particular value. Normally conducted by UNHCR staff members, such evaluations provide findings and recommendations that can be put to immediate use by operations managers and field staff.

2.4 *Participatory* or *beneficiary-based evaluations* provide an important means of developing a better understanding of how refugees and other people of concern perceive and assess UNHCR's programmes. To be effective, such evaluations should be carried out over an extended period of time by a person or team with social research skills.

2.5 Most evaluations are undertaken or commissioned by individual agencies. As a result, the humanitarian community's overall response to an issue or situation is frequently neglected. It is for that reason that UNHCR supports the notion of *joint* and *inter-agency* evaluations, involving other UN organizations, NGOs and governments.

2.6 *Self-evaluation workshops* provide a valuable means for a UNHCR Office or team to assess the impact of their work and to plan their future activities on the basis of that analysis. Ideally, such workshops should be run by an external facilitator and, for at least part of the time, involve external stakeholders, including beneficiaries.

2.7 A final form of evaluation is to be found in the *lessons-learned workshop*, usually undertaken at the completion of a major programme. Such workshops not only provide a record of UNHCR's accomplishments and the problems it has encountered, but also are a valuable resource for the planning and implementation of similar programmes in other countries or regions.

## 3. THE EVALUATION AND POLICY ANALYSIS UNIT (EPAU)

3.1 The Evaluation and Policy Analysis Unit, which reports to the Assistant High Commissioner, has overall responsibility for the development of the organization's evaluation function.

3.2 EPAU's primary task is to ensure that UNHCR management, staff and partners are provided with relevant information, analysis and recommendations. Responsibility for the implementation of those recommendations, however, lies with the manager of the operation or activity under review.

3.3 In addition to its direct role in the evaluation of UNHCR activities, EPAU is responsible for ensuring the effective development and devolution of the organization's evaluation function. This task involves, *inter alia*:

- working with other UNHCR entities so as to encourage a broader sense of ownership and involvement in relation to the evaluation function;
- helping to build organizational capacity for evaluation and supporting the spread of good evaluation practice across the organization;
- advising other parts of the organization on the effective conduct and management of evaluation;
- developing evaluation tools, procedures, methods and standards.

## Section 5.8 INSPECTIONS AND INVESTIGATIONS

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1. Inspections
  2. Reviews
  3. Investigations
- 

### 1. Inspections

1.1 Inspections undertaken by UNHCR's Inspector General are intended to provide the High Commissioner with comprehensive and systematic assessments of UNHCR operations, focusing on those factors, both internal and external to UNHCR, that are considered most relevant to the effective and efficient discharge of UNHCR's responsibilities. Inspections cover all aspects of UNHCR's field operations, including internal management and external relations with UNHCR's key partners, be they governmental, United Nations or non-governmental organizations (NGOs). Through meetings undertaken by the Inspection Team with the above-mentioned parties, the overall appropriateness and effectiveness of the objectives of the UNHCR field operations and actions taken to achieve them are assessed. The views of refugees are also sought. The quality of their protection and care, as perceived by them, is a good benchmark for measuring how effective UNHCR has been in building effective partnerships.

1.2 Inspections also provide UNHCR's Field Offices with an independent and objective review of their performance, where necessary, as well as a second opinion on difficult issues and recommendations for improvements and action to overcome constraints, often drawing on the best practices or solutions seen in other inspections.

1.3 The cycle of each inspection begins several weeks before the mission, with detailed briefings of the Inspection Team at Headquarters, the completion of confidential individual questionnaires by all staff in the field locations, and the

completion of a comprehensive operations and administrative questionnaire by the UNHCR Field Office to be inspected. The inspection mission itself ends with a debriefing of the senior staff of Field Office and a discussion of the draft recommendations. This is followed by debriefings at Headquarters and the presentation of the report and recommendations to the High Commissioner. Once approved by the High Commissioner, a formal follow up mechanism is set in motion to monitor the implementation of recommendations.

1.4 UNHCR has Offices in some 120 countries. Depending on the size of the operation being inspected, and the number of locations where UNHCR has staff, an Inspection Team comprises between two and four staff from the Inspector General's Office and one colleague with knowledge of region-specific protection issues, seconded to the team from the Department of International Protection.

1.5 During inspections, the views of NGOs are sought on their operational working relations with UNHCR. Equally, inspections seek the views of UNHCR on the capacity and quality of NGO implementing partners.

### 2. Reviews

2.1 In addition to assessing the effectiveness of UNHCR and its strategic partnerships through inspections, the Inspector General's office will review the broader role of UNHCR in different regional and sub-regional refugee situations, with particular focus on protection and solutions. These reviews will cover the Office's

actual or potential partnerships with other organisations including UN agencies, international organisations and NGOs. This new role is in keeping with the reform proposals of the Secretary-General on the strengthening of partnerships by the United Nations, and in line with the High Commissioner's integrated approach to promote a more effective role by UNHCR in repatriation, reintegration, rehabilitation and reconstruction.

2.2 The findings and conclusions of these reviews, which will include proposals for enhanced or revised collaboration with other actors in specific operations, will be shared internally, and with interested governments, UN agencies and NGO representatives.

### 3. Investigations

3.1 The Inspector General is the focal person for investigation of alleged or suspected staff misconduct within UNHCR, whether through misuse of funds, resources or facilities, abuse of authority and harassment, mistreatment of refugees or any improper conduct involving UNHCR staff or assets. Investigations are undertaken where there is reason to believe that

a staff member has engaged in unsatisfactory conduct for which a disciplinary measure may be imposed. If the assessment of the complaints or information of wrongdoings suggests that misconduct occurred, the Inspector General may either designate a responsible official within the organization to conduct a further investigation, decide that the Inspector General's Office (IGO) within UNHCR will undertake the investigation, or refer the case to the Investigation Division of the UN Office of the Internal Oversight Services (ID/OIOS). Subject-matter experts may be included on investigation teams. The outcome of each investigation is either an internal referral to initiate disciplinary action or closure of the case should the allegations proved unfounded.

3.2 UNHCR may also investigate allegations of misconduct by NGO workers made by refugees or another interested party. The standards of behaviour expected of the staff of an implementing partner are clearly set out in the UNHCR Sub-Project Agreement (Article 6.11.2). Information obtained through such an investigation will be provided to Senior Management of the concerned NGO for remedial action. UNHCR looks to the full cooperation of NGO partners in any investigation.

#### Office of UNHCR Inspector General

The Office of the Inspector General (IGO) was established in 1994 to strengthen UNHCR's oversight capacity to assess, monitor and recommend improvements in operational management.

Apart from inspections, IGO has overall responsibility for investigations throughout UNHCR and may be called upon to conduct inquiries into events, which have endangered the lives or caused the death of staff members while on official duties.

A further function is to review the broader role of UNHCR in different regional and sub-regional refugee situations, including UNHCR's partnerships with other organizations.