



UNHCR
The UN Refugee Agency

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Follow-up to the recommendations of the Board of Auditors on the financial statements for previous years (EC/66/SC/CRP.4)

Ms. Kumiko Matsuura-Mueller
Controller and Director
Division of Financial and Administrative Management

62nd Standing Committee
5 March 2015

AGENDA

- **External Audit** by UN BoA
- **Implementation** of audit recommendations
- **Key issues** addressed by BoA in the report on 2013 financial statements
- **Follow-up** of previous years recommendations
- **Conclusions**

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EXTERNAL AUDIT

by the United Nations Board of Auditors

- The Board carries out an annual audit of UNHCR's financial statements
- The Board provides the General Assembly with an independent opinion on UNHCR's financial statements
- The Board conducts its audit in conformity with the International Standards of Auditing (ISA)
- The Board reviews implementation of the recommendations

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IMPLEMENTATION

of audit recommendations

Recommendations issued for year 2013:

- 18 recommendations issued for 2013
- UNHCR considers 10 of them as implemented as of February 2015

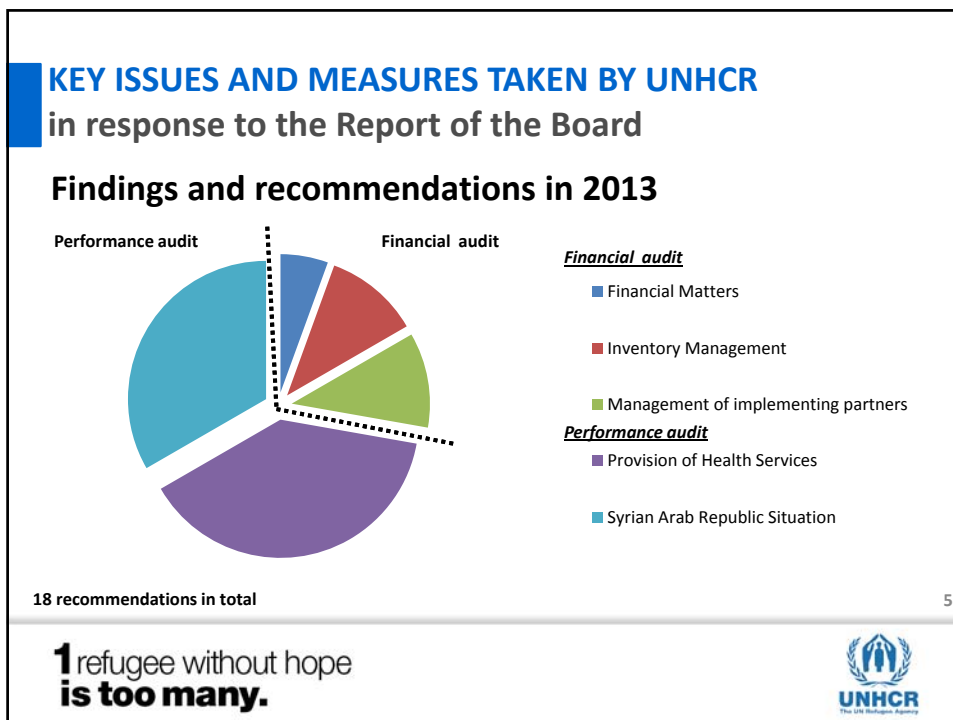
Recommendations of 2012 and previous years:

- 65 recommendations issued; out of which 43 were considered as closed by the Board and 22 remained open as reflected in 2013 Audit Report
- UNHCR considers 12 out of the 22 outstanding recommendations as implemented as of February 2015

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KEY ISSUES AND MEASURES TAKEN BY UNHCR

in response to the Report of the Board

1. Provision of Health Services

Board findings/recommendations:

- **Main burdens of disease** when bidding for health programme resources
- Consistent **utilization levels** per health worker across camps

Actions:

- ✓ UNHCR/AI/2014/21 on Reporting on 2014, implementation in 2015 and planning for 2016-17
- ✓ Policy on alternatives to camps
- ✓ Global Strategy for Public Health 2014 – 2018
- ✓ Guidance on Health in Urban Areas
- ✓ Operational Guidance on Health Insurance Schemes for Refugees

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KEY ISSUES AND MEASURES TAKEN BY UNHCR

in response to the Report of the Board

2. Syrian Arab Republic Situation

Board

findings/recommendations:

- Evaluate the performance of the **biometric registration** procedures implemented in Jordan
- Adopt flexible approach to **emergency staffing**
- Evaluation of Jordan **cash assistance programme**

Actions:

- ✓ Lessons learned in Jordan accounted in the development of global biometrics registration procedures
- ✓ Fast-track recruitment: improved the speed of filling of vacancies
- ✓ On-going studies on the impact of cash distributions among refugees
- ✓ Independent evaluation of the overall response to the Syrian refugee situation in Jordan and Lebanon

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KEY ISSUES AND MEASURES TAKEN BY UNHCR

in response to the Report of the Board

3. Implementing Partners

Board

findings/recommendations:

- Enhance its due diligence procedures with regard to the initial vetting of partners
- Develop mechanisms for the sharing of intelligence on IPs
- Explore use of extending partner agreements beyond 12 months

Actions:

- ✓ Web-based "Partner Portal" to be launched in Q1 2015
- ✓ UNHCR is exploring avenues and mechanisms for networking with other UN system organizations
- ✓ Assess feasibility of establishing partner agreements with duration of more than 12 months for cases where multi-year funding is secured

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KEY ISSUES AND MEASURES TAKEN BY UNHCR in response to the Report of the Board

4. Inventory Management

Board findings/recommendations:

- Establish target levels for inventory holdings and other assets



Actions:

- ✓ Measures taken to determine minimum inventory levels for its stockpiles
- ✓ Improved supply planning process – new standard operating procedures developed in 2014

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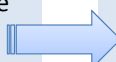


KEY ISSUES AND MEASURES TAKEN BY UNHCR in response to the Report of the Board

5. Financial Matters

Board findings/recommendations:

- Review and further refine the methodology for allocating costs across programme and management categories



Actions:

- ✓ Amended methodology for selected programme posts to better align functional staff responsibilities with costs incurred and the related area of expenditure

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KEY ISSUES AND MEASURES TAKEN BY UNHCR

in response to 2012 and previous years recommendations

Board findings/recommendations:

- Adopt a risk-based approach to managing partners
- Establish common checklists that can be issued to officers in the field to detail the partner visits



Actions:

- ✓ Measures taken towards a risk-based approach to implementing partners
- ✓ Guidance note on risk-based project monitoring

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KEY ISSUES AND MEASURES TAKEN BY UNHCR

in response to 2012 and previous years recommendations

Board findings/recommendations:

- Establish a organization-wide risk management approach
- Designate a senior risk officer
- Perform a fraud risk assessment
- Define its tolerance for the different types of fraud risk identified



Actions:

- ✓ Policy for Enterprise Risk Management (ERM) (UNHCR/HCP/2014/7)
- ✓ Administrative Instruction and Procedures for implementation of ERM (UNHCR/AI/2014/22)
- ✓ E-learning course on ERM
- ✓ Revised Strategic Framework for the Prevention of Fraud and Corruption
- ✓ On-going fraud and corruption prevention project

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CONCLUSIONS

- Board's findings and recommendations have allowed UNHCR to focus its resources on the most relevant risk areas
- Addressing the Board's recommendations is a **management priority**
- UNHCR will continue to take action to address them and reiterates its commitment to improving procedures, systems and controls in order to mitigate the identified risks

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THANK YOU

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