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**Consideration of reports relating to programme
and administrative oversight and evaluation**

Report on activities of the Inspector General's Office

Report of the High Commissioner

Summary

This report covers the work of the Inspector General's Office for the period from July 2015 through June 2016. It is provided pursuant to the decision of the Executive Committee of the High Commissioner's Programme to consider reports relating to programme and administrative oversight and evaluation during its annual plenary session (A/AC.96/1003, para. 25. 1. (f) (vi)). The Executive Committee has further requested that "summary reports covering inquiries and the main categories of investigations, the number of such types of investigation, the average time taken to complete investigations and a description of related disciplinary action" regularly be made available to it (A/AC.96/1021, para. 24 (e)).

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I. Introduction

1. The Inspector General's Office (IGO) has three core functions: inspections of the quality of management of UNHCR's operations and entities at Headquarters; investigations of allegations of misconduct by all persons and entities with contractual links to UNHCR; and ad hoc inquiries into violent attacks on UNHCR personnel and operations, as well as into other incidents causing major loss or damage to UNHCR's integrity, credibility or assets. This report outlines developments and activities undertaken by the IGO from July 2015 through June 2016.

II. Management

A. Future structure

2. An external review of all of UNHCR's oversight functions was undertaken in the second quarter of 2016. Any changes in the structure of the IGO, as well as to the scope of its mandate, are pending the High Commissioner's decision on the recommendations contained in the report of this review.

B. Senior management positions

3. Pending the release from other responsibilities of the newly-appointed Inspector General, the tenure of the Inspector General ad interim (a.i.) was extended until the end of 2016. The newly-appointed Head of the Investigation Service and Head of the Inspection Service took up their functions in September 2015 and January 2016 respectively. An all staff retreat was organized in February 2016 by the new management of the IGO to define work strategies for the forthcoming period.

C. Strengthening the Inspector General's Office

4. The IGO's financial and human resources management have been strengthened through the upgrading of a general service position in the last quarter of 2015, to Senior Resource Management Associate. The IGO's capacity has also been enhanced through the creation of an Associate Legal Officer position, funded by the Netherlands as a Junior Professional Officer post, and the services of two professional staff members who are in between assignments.

5. In line with the strategy to strengthen UNHCR's oversight capacity by bringing some oversight functions closer to the field, the IGO's Field Unit in Nairobi opened in August 2015. It is currently composed of four professional staff members and one support staff. However, the staffing level is still considered insufficient since the ratio of professional investigators to staff remains 1:1,500, whereas the European Anti-Fraud Office (OLAF) recommended, in its 2013 review of this function, that the ratio be 1:700. The IGO remains firmly of the view that increases in the overall budget of the organization should be matched by increases in its own staffing, and is expecting that there will be a revision of the IGO's staffing level once the recommendations of the review of UNHCR's oversight functions have been decided upon.

6. The IGO encourages its staff to undertake relevant trainings and to participate in relevant fora. During the reporting period, all Investigation Service staff attended a training session on forensic investigations, and selected staff from the Service attended the

following trainings and meetings: the sixteenth Conference of International Investigators held in Montreux in September 2015; the European Fraud Conference, organized by the Association of Certified Fraud Examiners in Brussels in March 2016; and the Audit and Fraud Roundtable Group meeting in Copenhagen in May 2016. A staff member from each Service also attended a training session on “Safe and secure approaches in field environments” in May 2016, organized by UNHCR’s Field Security Service.

D. Management tools

7. Management implication reports (MIRs) are issued by the Inspector General for the attention of relevant senior managers and are an important aspect of UNHCR’s enterprise risk management policy, as they highlight systemic weaknesses, flaws and policy gaps that have been revealed in the course of investigation and inspection missions. MIRs usually contain recommendations to address the concerns raised and include a deadline for compliance.

8. During the reporting period, one MIR was issued by the Inspection Service and eight by the Investigation Service. The former was related to the lack of a standard assignment length for staff members on expert assignments in hardship duty stations, while the latter addressed subjects that included financial and administrative transactions and asset management and procurement. The compliance rate from the concerned managers regarding the recommendations of all MIRs stands at 100 per cent.

9. The first “Annual report of the activities of the Investigation Service” for 2015 was issued in the first quarter of 2016¹. This document provides a comprehensive overview of cases of possible misconduct and related aspects, and is a useful instrument to support integrity and accountability. It not only helps raise awareness among staff about the work of the IGO, but also serves as a strategic tool to inform senior management about trends and developments.

E. Communications strategy

10. In continuation of efforts undertaken since 2011 to raise awareness about the mandate of the IGO, a new communications strategy has been produced. The strategy emphasizes the IGO’s mission as an entity responsible for fostering an environment of personal and collective integrity and accountability within UNHCR. It proposes concrete actions to enhance the IGO’s profile, both internally and externally, and to reinforce trust in its processes and findings. Taking stock of past experiences, the strategy lays the groundwork for transparent communications on the IGO’s mandate, recommendations and compliance mechanisms. It reflects the IGO’s commitment to provide support and advice, while reaffirming its core values of impartiality, independence and confidentiality.

¹ Available from <http://www.unhcr.org/576133d24.pdf>.

III. Inspections

A. Inspection missions and reports

11. Since its last report, the IGO's Inspection Service has conducted inspections of UNHCR's operations in Ecuador, northern Iraq, South Sudan, the Syrian Arab Republic and Ukraine. The inspections of South Sudan and the Syrian Arab Republic were carried out in collaboration with the United Nations Office of Internal Oversight Services (OIOS). An inspection of UNHCR's Private Sector Fundraising Service (PSFR)², which relocated to Copenhagen in late 2014, was also conducted, as well as a review of the Headquarters "desk function". Finally, an inspection of UNHCR's policies and procedures on assignments and external recruitment took place between May and July 2016.

12. The selection of operations and headquarters units to be inspected in 2016 was made on the basis of identified risk, according to specific criteria. This was done in close collaboration with the regional bureaux and divisions, other internal oversight entities, as well as with OIOS. The same process is underway for entities to be audited and inspected in 2017 and beyond, using an increased number of indicators and taking into consideration UNHCR's enterprise risk register. The process will, however, be further adjusted in accordance with the recommendations of the external review of UNHCR's oversight functions.

13. Six inspection reports were issued during the reporting period on the following: UNHCR's operation in Ethiopia; the Headquarters "desk function"; the use of biometrics in Kenya; UNHCR's Private Sector Fundraising Service; UNHCR's operation in Sri Lanka; and UNHCR's operation in the Syrian Arab Republic. Five inspections, spanning the inspection cycles from 2011 to 2013, (covering UNHCR's operations in Greece; Kuwait, Saudi Arabia and the United Arab Emirates; Iraq; Venezuela (Bolivarian Republic of); and the Regional Representation for Central Europe) were closed in 2016 by the Inspector General, a.i.

B. Compliance

14. During the reporting period, the Inspection Service prioritized follow-up on the backlog of 14 pending compliance reports (9 from 2010-2013 and 5 from 2014), and 10 inspections (covering UNHCR's operations in Botswana, Egypt, Italy, Lebanon, Malaysia, Mauritania, Mozambique, Pakistan, the Russian Federation and Tunisia) were thus closed during the first six months of 2016. Three hundred and sixty recommendations contained in the related reports were considered as implemented, and 31 were no longer applicable.

15. As at 30 June 2016, four inspections, undertaken from 2012 to 2014, remained open (covering UNHCR's operations in Bangladesh, Nigeria and Yemen, as well as its Regional Support Hub in Nairobi), and 116 recommendations not fully implemented. Of these pending recommendations, 50 per cent related to Yemen, where the operational context has changed drastically since the inspection mission took place in 2013, affecting implementation of some of the recommendations.

² Renamed the Private Sector Partnerships Service in June 2016.

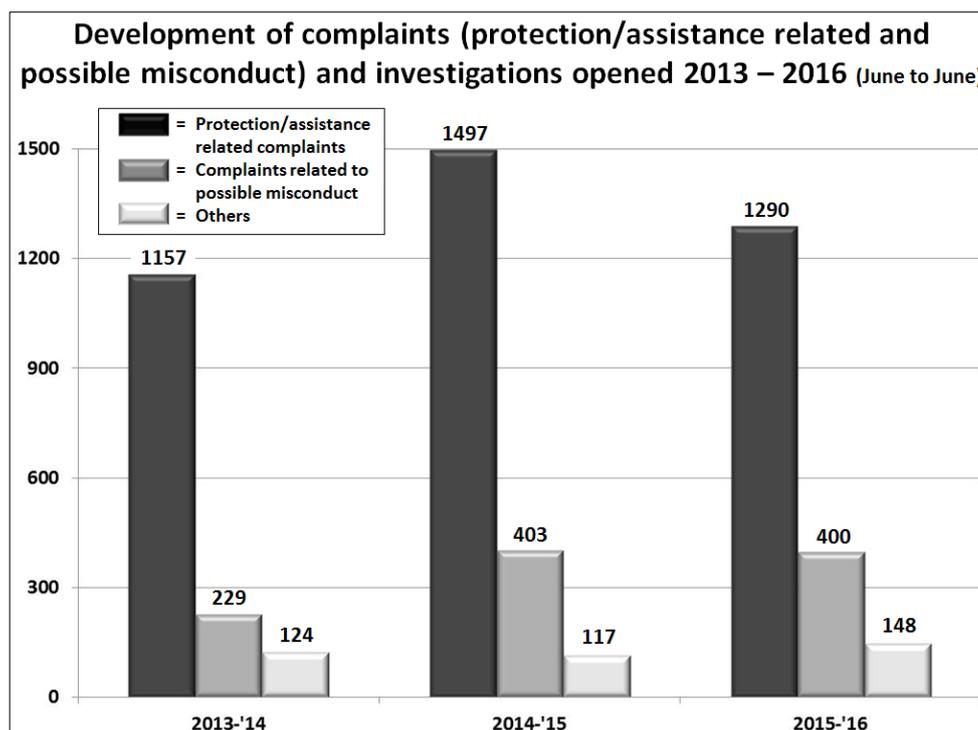
C. Collaboration with the United Nations Joint Inspection Unit

16. With respect to collaboration with the United Nations Joint Inspection Unit (JIU), the IGO contributed to the preparation of the JIU's 2016 programme of work. During the reporting period, UNHCR received 10 JIU reviews on various thematic system-wide issues and 1 JIU draft management letter on the "Review of the acceptance and implementation of JIU recommendations by UNHCR". The Inspection Service is coordinating the organization's response, as well as working to clear up a backlog of 66 pending JIU recommendations issued from 2006 to 2015. Of the 66 pending recommendations, 25 are addressed to the legislative body (General Assembly) and are therefore considered "not relevant" to UNHCR, as already indicated to the JIU.

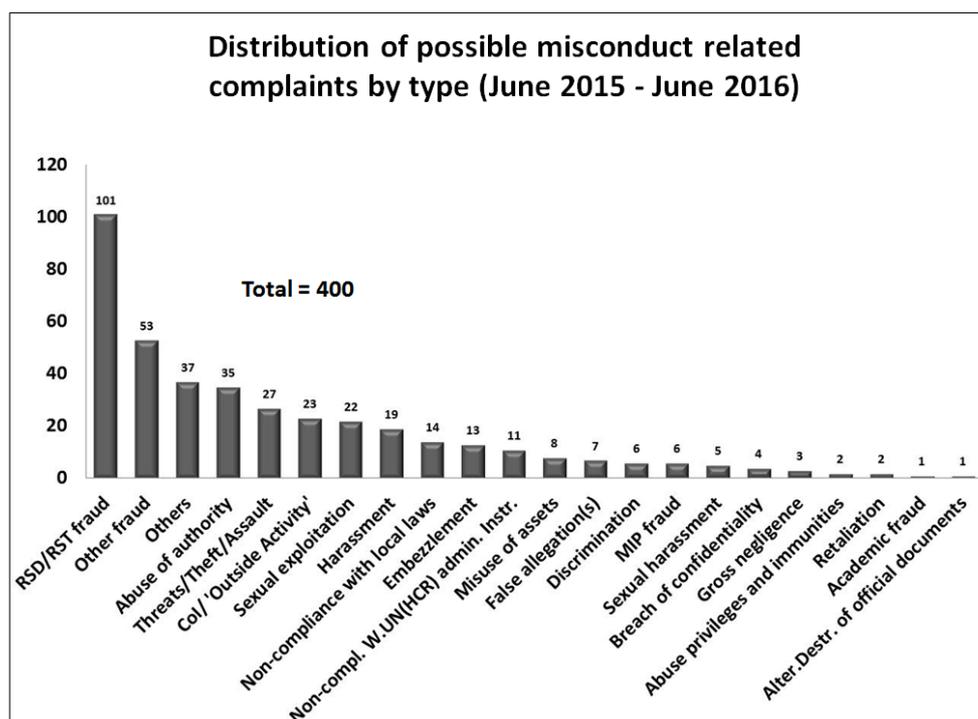
IV. Investigations

A. Caseload and reporting

17. During the reporting period, the IGO registered 1,838 complaints. As shown in the chart below, 1,290 of the total number of complaints received related to protection and assistance concerns, while 400 involved allegations of misconduct. The remaining 148 complaints raised matters beyond the remit of the IGO and were referred to the appropriate internal entities.



18. The breakdown of typology of the allegations of misconduct is set out in the chart below. The highest number of complaints (25 per cent of all allegations of misconduct received) related to resettlement and refugee status determination fraud, and the second highest number (13 per cent of all allegations of misconduct received) related to other areas of fraud. These percentages are consistent with figures on fraud complaints for the two preceding reporting periods.



19. During the reporting period, 81 investigation cases were opened. With the 61 cases pending from previous years, the Investigation Service was thus handling a total of 142 cases. Of these 142 cases, 100 cases were completed. Thirty-eight per cent of the completed cases resulted in the referral of an investigation report to the Division of Human Resources Management for further action, including possible disciplinary measures. This figure is in line figures from the preceding five years for which the average percentage of completed cases resulting in an investigation report was 33 per cent.

20. Twenty-one investigation missions were undertaken. Cases investigated included: serious allegations of sexual exploitation and abuse; financial fraud; refugee status determination and resettlement fraud; and abuse of authority. As at June 2015, 61 cases were pending, among which some 30 per cent were older than one year. As at June 2016, 53 cases were pending, among which only 3 per cent were older than one year.

B. Protection from sexual exploitation and abuse

21. Following the appointment by the Secretary-General of a Special Coordinator to improve the United Nations response to incidents of sexual exploitation and abuse (SEA), several initiatives on how to prevent and respond to allegations have emerged both at the inter-agency level and internally within UNHCR. The IGO participates in most of these initiatives. Several task teams have been established in order to enhance collaboration among different agencies on SEA-related matters. Topics addressed by the task teams included the vetting of staff, the creation of a trust fund to support organizations in their efforts to assist victims, assistance measures for victims of SEA, a protocol on sharing information and the United Nations response to allegations of SEA in the Central African Republic.

22. In April 2016, the IGO participated in a mission, undertaken together with the Division of Programme Support and Management and the Division of International Protection, deployed to the Central African Republic. The aim of the mission was to review the existing complaints mechanisms, conduct training on the prevention of SEA with staff and partners, and provide advice and operational support to the office to improve programmes implemented by UNHCR and partners aimed at preventing and responding to sexual and gender-based violence.

23. During the reporting period, the IGO received a total of 21 complaints related to SEA. One of the alleged perpetrators could not be identified, while 14 were UNHCR staff, 1 was a United Nations Volunteer, 2 were staff working for UNHCR under an affiliate workforce arrangement, and 3 were staff of implementing partners. Five allegations were closed at the complaint level, with no formal investigation opened; three complaints were pending as at 27 June, and the IGO opened 13 investigations, 7 of which were considered unsubstantiated and closed. Among these 13 investigations, 1 allegation was substantiated (with the investigation report sent to the Division of Human Resources Management for further action), and 5 cases were still under investigation. Regarding regional trends, seven investigations originated from sub-Saharan Africa, five from the Middle East and North Africa region and one from the Asia and Pacific region.

C. Proactive investigation work

24. Since the creation of the position of Senior Strategic and Operational Analyst in the second half of 2015, the IGO has made considerable progress in undertaking proactive investigation work, and a limited number of investigations has been undertaken as a result.

25. The Investigation Service has identified three types of proactive investigation work:

(a) Thematic proactive investigation work focuses on areas that are vulnerable to exploitation due to a given operational reality, limited control mechanisms or other systemic weaknesses, and looks at unspecific budget lines that offer the possibility to disguise fraudulent activities.

(b) Geographical proactive investigation work focuses on one country or several countries, depending on the situation (especially with regard to high-risk operations such as the Syria crisis). The identification of geographical “hot spots” is based on accumulated information received by the Investigation Service at the intake level. Complaints related to alleged misconduct are not always followed up by a formal investigation, as it not always possible to further substantiate the allegation. After initial processing at the intake level, only one out of five complaints received during 2015 was found to warrant formal investigation. Nevertheless, the analysis of information available at the intake level will flag operations that show an exceptional complaint pattern, warranting further investigation.

(c) Third party proactive investigation work involves information received from external sources, including Member States, which points towards possible misconduct involving UNHCR and its implementing partners and vendors.

D. Fraud prevention

26. The IGO prioritizes allegations of financial, resettlement and refugee status determination fraud. With regard to financial fraud, the IGO is taking additional steps to prevent this, notably in relation to partner or vendor fraud, by enhancing cooperation with donor countries and other international organizations to determine if any misconduct has

been identified by these entities. Based on the information provided, the IGO is in a position to take a more proactive approach to the detection and prevention of fraud. The IGO has been involved in the establishment of an internal Vendor Ethics Committee, a central body to which all ethical breaches by vendors will be referred, and will participate in its work. In addition, a Senior Investigation Officer from the Investigation Service participated in a series of workshops, organized by the UNHCR fraud prevention working group, led by the Controller.

27. In order to heighten fraud awareness throughout the organization, a series of presentations about the work of the IGO was prepared, including one on “Fraud, corruption and conflict of interest”. These presentations are delivered to staff in field locations where investigations are undertaken, once the investigatory work has been completed.

E. NGO project

28. The Investigation Service’s “NGO project” was initiated in 2012, following initial consultations with UNHCR’s principal non-governmental organization (NGO) partners, with the purpose of strengthening the capacity of NGO partners to investigate allegations of misconduct of their staff. The main achievements under this project were the development of a resource manual for NGO partners, containing relevant policies, guidance and best practices in the investigations domain, and training initiatives. With regard to the latter, a series of regional investigation workshops aimed at building the capacity of partners to prevent and address misconduct is ongoing. To date, these regional workshops have taken place in Amman, Bangkok, Islamabad, Kinshasa, Nairobi, Pretoria and Tunis. The latter two workshops took place during the reporting period, and a further workshop is scheduled to take place in Kyiv later this year.

29. The NGO Investigation Specialist Roster, aimed at strengthening UNHCR-NGO cooperation in third party investigations as well as the accountability and quality of performance of UNHCR’s NGO partners, was activated in December 2014 and administered on behalf of UNHCR by the Danish Refugee Council (DRC). In view of the lack of use by NGOs of the roster, this initiative will end in August 2016, when UNHCR’s contract with the DRC expires. The IGO, nonetheless, remains committed to supporting and engaging with NGOs on investigation-related matters.

30. The IGO also participated in a number of meetings with NGOs for awareness-raising purposes. This included: a meeting with partners hosted by the International Council of Voluntary Agencies (ICVA) specifically about fraud; a network meeting of leading partners organized by UNHCR’s Implementing Partner Management Service; and a session on the “New enhanced framework for implementing with partners” at UNHCR’s 2016 Annual Consultations with NGOs.

V. Ad hoc inquiries

31. The Inspector General, a.i. initiated an ad hoc inquiry into the circumstances surrounding the death of a UNHCR staff member and the death of an NGO staff member in December 2015. This inquiry focused on the responsibilities, actions and decisions of UNHCR in relation to the events. A fact finding mission was also conducted by the Investigation Service to a country in Africa, following the death of a staff member there.