

Statement of the Inspector General, a.i.
Ms. Claire Bourgeois
to the 67th Session of UNHCR's Executive Committee
3 - 7 October 2016

Thank you, Mr. Chairperson.

Excellencies, Distinguished delegates, Ladies and Gentlemen,

Over the last 12 months, there have been a number of significant developments and achievements in the work of the Inspector General's Office. I am thus pleased to have this opportunity today to provide you with an update on the most significant ones. Complementary information and details of all the major activities of the IGO for the period July 2015 to June 2016 are available to you in document A/AC.96/1160 entitled "Report on Activities of the Inspector General's Office".

You have been kept informed by UNHCR's Senior Management of the High Commissioner's decision, early this year, to have an external review of UNHCR's oversight functions, and of the resulting report and its recommendations. With regard to the inspection function, I convened a workshop for senior staff of in-house oversight entities, as well as the Chief of the UNHCR Audit Services in OIOS, to review the implementation of the

related recommendations of the afore-mentioned report, namely that the majority of the functions currently performed by the Inspection Service be included in internal audit function.

The next step in the process will include a risk base review of internal control and oversight functions, defining which in-house entity, or OIOS, will be responsible for which tasks and actions, and finding adequate solutions for identified gaps.

A working group at the technical level has been set up for this purpose and its roadmap will be presented to the Senior Management by end of October. Pending the finalization of discussions on the future of the inspection function, the conduct of standard inspection missions has been suspended, and from now on, only inspection missions that I deem to be critical will take place.

However, over the last 12 months, the IGO has conducted one inspection at Headquarters. This was of DHRM's Policies and Procedures on Assignments and External Recruitment, and seven inspection missions of field operations, two of which were carried out in collaboration with the Office of Internal Oversight Services (OIOS). The two most recently conducted inspections took place in September and were to Morocco and to the Regional Representation for West Africa in Dakar, Senegal.

Finally, with regard to the inspection function, prioritization has been given to following up with country offices on outstanding inspection cycles, and I am pleased to report that, since January 2016, sixteen such inspection cycles were closed.

Distinguished Delegates, Ladies and Gentlemen,

I would now like to turn to my Office's investigatory function. During 2016, the IGO has prioritized its work on protection from sexual exploitation and abuse, as well as allegations of financial, resettlement and refugee status determination fraud. Details of the initiatives undertaken by the IGO in relation to both of these topics can be found in the Report on Activities of the Inspector General's Office to the Executive Committee, to which I referred in my opening words.

I would, however, like to stress UNHCR's zero tolerance policy of any acts of sexual exploitation or abuse and the unprecedentedly low threshold that the IGO is applying in regard to allegations relating to such acts. With regard to allegations of fraud perpetrated by staff and all other persons and entities with contractual links to UNHCR, the IGO takes good note of the Joint Inspection Unit's report on Fraud Prevention, Detection and Response in UN System Organizations which, and I quote here, states that "much more needs to be done to combat fraud in the United Nations system".

In addition to its efforts to combat financial fraud, the organization needs to remain extremely alert to any fraud related to resettlement. With regard to this area of work, I can reassure you that IGO collaborates closely with the Division of International Protection on issues of Refugee Status Determination and resettlement fraud, and when any such allegation is received, a plan of action is developed jointly for our respective areas of responsibility. This is all the more important given the increased commitment received from many States at the Leaders' Summit on Refugees, convened by US President Barack Obama in New York on 20th September. We are all too aware that increased resettlement bears with it an increased risk of fraud, and we need to work closely with States and empower partners to be highly vigilant to this risk.

The IGO has continued the professionalization of its investigatory function which was initiated in 2014 following a recommendation made in the Independent Peer Review of this function, conducted by the European Anti-Fraud Office. I would like to take this opportunity to update you on two areas in which considerable headway has been made over the last 12 months. These are: (1) the development of UNHCR's proactive investigation function, and (2) work on third party investigations.

With regard to the former, our ability to conduct proactive investigations is potentially of considerable benefit to our organization since it not only enables

UNHCR to take a more advanced position in addressing potential vulnerabilities and to develop proactive counter-strategies making our operations more robust, but it also serves to minimize, or eliminate risks by amending business processes. Indeed, the primary goal of a proactive investigation is to prevent, detect and disrupt misconduct. In 2016, four such investigations have been conducted or are on-going.

I am pleased to report that the Independent Audit and Oversight Committee, in its Annual Report to the Executive Committee stated that it “was encouraged by positive developments relating to an increasingly proactive approach to investigations, including through strategic intelligence and data analytics”.

The Investigation Service has identified three types of proactive investigation work: thematic, geographical and third party, and I would like to give you a brief description each of these types:

(i) 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.

(ii) Geographical proactive investigation work focuses on one country or several countries, depending on the situation, and the identification of

geographical ‘hot spots’ is based on accumulated information received by the Investigation Service at the intake level. That being said, proactive investigations depend on available sources and indicators to provide further leads that will allow obtaining additional information to start an investigation, and the focus of proactive investigations can change over time.

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

Throughout the last 12 months, the IGO has also continued to strive to build up the capacity of partners to prevent and address misconduct. This has been achieved essentially through the conduct of its on-going series of Regional Investigation Training Workshops for NGO partners, aimed at building the capacity of partners to prevent and address misconduct. During these workshops, emphasis is very much put on the fact that partners must feel free to contact the IGO at any time should they require any advice or assistance on investigatory matters.

Three such workshops have been held over the last 12 months, the latest being in Kiev two weeks ago. To date, since the inception of these workshops, eight have been conducted worldwide. Their conduct has become all the more

critical not only following the discontinuation of the NGO-Investigation Specialist Roster in August 2016 in view of its lack of use by NGO partners, but most importantly, because of the recommendation from the World Humanitarian Summit, to improve delivery by providing more support and funding to national first responders – (thus increasing an exposure to risk).

Distinguished Delegates, Ladies and Gentlemen,

This now brings me to the critical topic of resources available to the IGO. My predecessor, Mr. Mengesha Kebede, over the years of his tenure as Inspector General, repeatedly alerted you to the fact that the human and financial capacity of the IGO has not expanded proportionately to the significant increases in UNHCR's budget and programmes, or to the increase in the number of complaints received in the IGO's Investigation Service.

Indeed, already in 2013, the European Anti-Fraud Office (OLAF) had recommended that UNHCR should have between 10-15 investigators, based on the ratio of 1 investigator per 700 staff. The current ratio is 1 investigator per 1,500 staff, which is two times less than recommended by OLAF three years ago. This state of affairs impacts seriously on the IGO's ability, *inter alia*, to further develop its proactive investigation function; prioritize all allegations of Sexual Exploitation and Abuse; carry out timely investigations into allegations

of fraudulent activities or misconduct of staff, partners as well as UNHCR's Affiliate Workforce; and finally, limited resources hinder our capacity to intensify our series of capacity-building workshops for national partners, which are a key element in preventing, deterring, detecting and pursuing potential fraudsters.

To conclude, I would like to express my appreciation to the Executive Committee for the interest and support they have shown in the work of my Office during my brief tenure as Inspector General, a.i. Your continued support will undoubtedly also prove to be invaluable to the newly-appointed Inspector General, Ms. Karen Farkas, who will take up her functions on 1 January 2017.

Thank you.