

Executive Committee of the High Commissioner's Programme

Distr.: General
12 December 2025

English only

Standing Committee

Ninety-fourth meeting

8–9 September 2025

Held at the International Conference Center Geneva (CICG) ▪ room D

Summary record*, Monday, 8 September 2025, at 10.00 p.m.

Chairperson: Mr. Marcelo Vázquez Bermúdez.....(Ecuador)

Contents

Opening of the meeting

1. Adoption of the agenda (EC/76/SC/CRP.21)

Opening remarks by the Deputy High Commissioner, UNHCR

2. Management, financial control, administrative oversight and human resources

- (a) Finance and oversight

- (i) Financial statements for the year 2024 as contained in the Report of the Board of Auditors to the General Assembly on the financial report and audited financial statements of the voluntary funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 2024 (A/AC.96/76/4)

- (ii) Key issues and measures taken in response to the report of the Board of Auditors for 2024 (A/AC.96/76/4/Add.1), as well as recommendations from previous years

**Sub-items (i) and (ii) will be presented and considered together.*

***Under this agenda item, the Controller will present a related update on the funding status and utilization of the UNHCR Staff Benefits Fund. A separate background paper has been prepared for this purpose (EC/76/SC/CRP.25).*

- (iii) Report of the Office of Internal Oversight Services on internal audit in the Office of the United Nations High Commissioner for Refugees (A/AC.96/76/7)

* Summary records, prepared by external service providers, summarize the discussions and record decisions taken. Though extensive, they do not represent a verbatim record of the proceedings. Corrections to a summary record should concern only errors made regarding, for example, an official title, and a statistic or a statement reflected from the discussion. A correction does not allow for any additions or for changes to be made of a political character. Any proposed substantive corrections will be checked against the sound recording of the meeting before any change can be made. Requests for corrections should be sent to the ExCom Secretariat: hqexcom@unhcr.org, and any corrected records will be reissued with a new date. Feedback on the summary records may also be sent to the ExCom Secretariat for consideration in the preparation of future summaries.

The meeting was called to order and resumed at 10:09 a.m.

1. Adoption of the agenda

The agenda was adopted.

Opening remarks

1. The **Deputy High Commissioner (UNHCR)** delivered opening remarks, noting a difficult operating environment marked by rising needs, declining resources and strains on the unity of effort, while affirming there was no crisis of purpose. She reported from a recent mission to Lebanon and the Syrian Arab Republic, recalling that more than 865,000 refugees had returned to the Syrian Arab Republic from abroad, and 1.7 million internally displaced persons had returned to their places of origin. She emphasized that progress was fragile and contingent on peace and investments in documentation, education, health care, shelter and livelihoods, alongside continued support to host countries. She updated delegations on the finances of UNHCR, noting that the 2025 current budget of \$10.6 billion was around 31 per cent funded as of late August, that the overall available resources were similar to a decade ago despite a much larger caseload and that tighter earmarking was limiting flexibility. She outlined austerity measures to manage uncertainty, including consolidation of 185 offices, a halving of senior positions and a reduction of projected global expenditure by \$1 billion, while cautioning that up to 11.6 million people risk losing direct support.

2. She informed the Standing Committee that UNHCR received an unqualified audit opinion for 2024 and presented the proposed 2026 programme budget of \$8.5 billion, a reduction of 20 per cent compared to 2025, with a sharper operational focus on life-saving interventions, protection and solutions to meet the most urgent refugee needs, particularly in low- and middle-income countries. Priorities included voluntary repatriation and reintegration, support to statelessness work through targeted legal reforms and reinforcing national and local partners to move away from parallel systems. She underscored ongoing management improvements, including a business scorecard, a management results framework, consolidation of transaction processing through shared services, automated controls and strengthened fraud risk assessments tailored to downsizing. She acknowledged the significant impact on personnel, noting more than 4,400 separations by the end of August and expressed appreciation for the dedication of the organization's staff. She encouraged continued political and financial support from member States.

2. Management, financial control, administrative oversight and human resources

(a) Finance and oversight

(i) **Financial statements for the year 2024 as contained in the Report of the Board of Auditors to the General Assembly on the financial report and audited financial statements of the voluntary funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 2024 (A/AC.96/76/4)**

(ii) **Key issues and measures taken in response to the report of the Board of Auditors for 2024 (A/AC.96/76/4/Add.1), as well as recommendations from previous years**

3. The **Controller and Director of the Division of Financial and Administrative Management (UNHCR)** introduced three items: the 2024 financial statements and audit report, key measures taken in response to the Board of Auditors and a conference paper on the Staff Benefits Fund. Reviewing key ratios, he noted that while the organization remained solvent, liquidity pressures persisted and cash balances at the end of 2024 were low, which compounded challenges early in 2025. He explained the differences between International Public Sector Accounting Standards (IPSAS) figures and budgetary presentations, including recognition of signed contributions receivable in future years, and summarized the reconciliation from net assets to budget carry-forward. He reported consolidated

contributions receivable of about \$1.5 billion, clarified that not all contributions can be combined and highlighted that operational cash availability is one of the lowest in the United Nations system due to efforts to move funds rapidly to operations.

4. On long-term staff obligations, he outlined funding status for after-service health insurance, repatriation grants and accrued annual leave. After-service health insurance was funded at a little over 60 per cent, repatriation benefits at about 40 per cent, while the pension fund and annual leave were fully funded. He recalled Standing Committee decisions in 2011 and 2017 that improved funding for long-term liabilities, including a 3 per cent charge for after-service health insurance and an increased cap for repatriation grant funding and noted that further measures would strengthen sustainability. He concluded by inviting questions before subsequent presentations by the Office of Internal Oversight Services (OIOS) and the Independent Audit and Oversight Committee (IAOC).

5. The **Deputy Director of External Audit (United Nations Board of Auditors)** presented the findings of the external audit for 2024, noting that an unqualified opinion had been issued for the financial statements of UNHCR, which were found to present fairly the financial position of the organization. He noted that the audit covered financial statements, inter-agency cooperation, crisis management and the business transformation programme, with visits conducted to headquarters, the global service centre in Budapest and selected country and regional offices. He recalled that out of 40 recommendations outstanding at the start of the period, 19 had been implemented, 20 were in progress, and one was overtaken by events, while 33 new recommendations were issued, reflecting both an expanded audit scope and more targeted follow-up. He highlighted improvements in short-term liquidity but noted a deterioration in long-term liabilities, with overall funding remaining highly concentrated, as three donors accounted for 60 per cent of contributions. He noted that expenditure had decreased compared to the previous year, largely due to reductions in partnership costs and cash assistance, yet the year closed with a deficit, albeit smaller than in 2023. He also flagged the need to strengthen banking processes, including management of account signatories and reconciliations, to address discrepancies and recommended improvements in the valuation and reporting of staff benefit liabilities, particularly annual leave accruals, in line with IPSAS 39. Finally, he identified a \$5.3 million overstatement linked to double entries and outdated obsolescence methods, underscoring the need to modernize controls.

6. He further noted the need for UNHCR to strengthen stock valuation methods, including annual reviews of depreciation schedules, which will form part of the 2025 audit. He identified weaknesses in financial recording, with \$68 million misclassified in “other expenses” accounts due to coding errors, later corrected through adjustments. Supplier liabilities were understated by \$2.3 million as goods in transit at the end of 2024 were only recorded in January 2025, underscoring the need to reinforce year-end procedures and transfer of ownership dates.

7. The **Auditor (United Nations Board of Auditors)** presented the first performance audit, which focused on the Business Transformation Programme (BTP). While BTP modernized systems and improved automation and data management, challenges persisted in user experience, cybersecurity, data integration and system stability. Costs also rose significantly, from \$75.6 to \$118.9 million, with higher ongoing operating expenses. She recommended closer monitoring of IT costs, stronger governance through standardized procedures and improved collaboration between technical and operational teams.

8. The **Deputy Director of External Audit (United Nations Board of Auditors)** presented the second performance audit, concerning inter-agency cooperation. The Board found that UNHCR had not consistently aligned its country-level planning with the United Nations country team cycles and lacked tools to measure the financial and administrative cost of participation in inter-agency mechanisms, creating risks of duplication. At the bilateral level, some framework agreements with partner agencies were outdated or overlapping, creating complexity and uncertainty in their application, as global agreements were not always effectively translated into field practice. He remarked that cooperation with the International Organization for Migration (IOM) remained essential, though implementation of the 2022 framework continued to face difficulties around roles, responsibilities and terminology. He welcomed the updated refugee coordination model but observed that the inter-agency scale-up protocol required closer alignment with emergency declaration

procedures and noted that inter-agency evaluations of refugee responses had been rare in recent years. He recognized the efforts made by UNHCR to simplify and streamline protection arrangements and highlighted innovative local initiatives with IOM in managing mixed population movements.

9. The **Deputy Director of External Audit** and the **Auditor (United Nations Board of Auditors)** highlighted an innovative back-office initiative, UN FLEET, a joint fleet project with the United Nations World Food Programme and UNHCR, which illustrates promising international cooperation to improve cost-effectiveness in operational support. However, they noted that its implementation had been slow, and results remained limited.

10. They then presented the third performance audit on crisis management. The updated emergency preparedness and response policy of February 2023 provided relevant tools for field operations, but some high-risk countries still lacked contingency and continuity plans. They noted that emergency declaration mechanisms for the three crisis levels were respected, although with some avoidable delays. They also shared that no major inconsistencies were found in emergency procurement procedures. They remarked, however, that, while cash assistance, preferred by beneficiaries, is considered more relevant, UNHCR continued to rely on in-kind aid in the initial emergency phase, and they recommended that preparedness for cash assistance could be strengthened through earlier engagement with financial service providers.

11. They mentioned that financial resource mobilization was well controlled, supported by a dedicated emergency funding line of \$56.6 million from the operational reserve. They commended that human resource mobilization was effective, though they raised concerns about the slowness of needed staff reductions and about insufficient skills for transitioning towards development-oriented responses. They mentioned that real-time reviews after three months and evaluations of level 3 emergencies were good practices, but that the same was seldom applied to level 1 or level 2 emergencies. Finally, while UNHCR had identified challenges in transitioning from emergency response to regular operations, they noticed that no clear guidance had yet been developed.

12. The representative of the **European Union, speaking on behalf of its member States**, took note of the proposed 2026 programme budget focused on protection, solutions and life-saving emergency response, reaffirmed support for the core protection mandate and expressed concern about the widening funding gap. She welcomed efforts to safeguard protection, oversight and risk management, called for transparency on prioritization criteria based on severity of needs, cost effectiveness and risk and encouraged broader responsibility-sharing, inclusion in national systems and deeper coordination with development actors and local organizations. She emphasized the importance of engagement in system-wide reforms, integrity, fraud prevention and survivor-centred approaches to sexual exploitation, abuse and harassment.

13. The representative of **Côte d'Ivoire, speaking on behalf of the Africa Group**, recalled that Africa hosts a large share of the world's refugees despite limited resources and cautioned that any further budget reductions in Africa would have devastating consequences. He noted improvements in the 2024 financial situation compared to 2023 but pointed to a deficit of \$158.8 million, a 25 per cent cut in cash assistance and a 16 per cent cut in partnership expenditure. He emphasized that investing in prevention and resilience was more cost-effective than incurring future humanitarian and human losses, providing examples of positive results from cash assistance and in-kind support delivered in 2024. He reaffirmed the Africa Group's support for transparency and financial integrity mechanisms but insisted that controls must allow rapid access to resources for African operations. He emphasized the need to protect staff, especially national staff and local partners, who form the backbone of responses and cautioned that reducing capacity would increase costs and suffering. He called for preserving the operational budget for Africa in 2025, giving more flexibility to financing, strengthening national partners and stabilizing international commitments to protect refugee dignity and host community resilience.

14. The representative of **Mexico** expressed appreciation for the soundness and transparency of the financial statements of UNHCR and acknowledged progress in the business transformation programme, while underlining the need for further adjustments,

including a governance structure to improve coordination and effectiveness. He welcomed coordination with IOM in his region and suggested creating a mechanism to identify operational overlaps in light of ongoing reforms, including the UN80 reform initiative. He also welcomed measures such as improved bank reconciliations, expense classification and guidance for transitions from emergencies to regular operations and encouraged the implementation of the 53 outstanding recommendations. Finally, he welcomed the report on the staff benefit fund and asked for further briefings on the review of the methodology and the implications of the four scenarios.

15. The representative of **Switzerland** stated that the reports demonstrated progress while identifying areas for improvement and emphasized the need for constructive collaboration during the restructuring process. He noted that Switzerland contributed to more efficient finance management through its digital hub on treasury solutions and encouraged wider support for this multi-agency initiative. He underlined that UNHCR must make informed choices regarding information technologies since expanding investments would not be feasible. He encouraged UNHCR to strengthen shared services and clarify responsibilities with other agencies to reduce inefficiencies. On crisis management, he called for the recommendations to align with the Humanitarian Reset initiative, emphasizing the subsidiary role of UNHCR, stronger cluster efficiency and smoother transitions to sustainable solutions. He welcomed the proposal to reform the system of reserves for health insurance and staff compensation in line with IPSAS standards.

16. The representative of **Uganda** asked for an estimate of the projected 2024 deficit and further details on proposals for funding staff benefits, including the shift away from the current percentage and cap methods, safeguards for the organization's flexibility and how to build reserves given earmarking constraints. The representative recommended closer linkage of contract terms and leave policies to mitigate termination liabilities, requested a timeline for the full operationalization of the Business Transformation Programme and asked for clarity on annual leave accruals versus compulsory leave.

17. The representative of the **United Kingdom of Great Britain and Northern Ireland** welcomed the unqualified audit opinion and requested an update on unencumbered operational cash holdings relative to the end of 2024 two-month level, as well as the drivers of increased support and administrative costs and their 2025 trajectory. She requested further details on the implications of downsizing for oversight functions and the internal justice system.

18. The representative of **Netherlands (Kingdom of the)** underscored the importance of independent and adequately resourced oversight. She urged timely implementation and accurate tracking of outstanding Board of Auditors' recommendations, alongside alignment with the United Nations Sustainable Development Cooperation Framework at the country level, cooperation with IOM and others, simplification in the protection cluster and continued monitoring of Business Transformation Programme stabilization and running costs. The representative valued the findings of the OIOS and called for strengthened control environments during this organizational change.

19. The representative of **Norway** acknowledged the challenging financial context and pace of restructuring. The representative welcomed the unqualified audit and progress on closing recommendations, encouraged strong risk management and resourcing for oversight, evaluation and ethics and supported a continued focus on gender parity, staff welfare and robust reporting channels for misconduct. He encouraged predictable, less conditional funding and innovative financing.

20. The representative of **Germany** noted the high implementation rate of available resources and welcomed measures for financial control and oversight. He expressed concern that significant gaps pre-dated the current crisis and that funding remained concentrated among a few donors. The representative called on the wider donor community to help close the funding gap.

21. The representative of **Canada** welcomed the audit opinion and emphasized that fiscal contraction, downsizing and fragmented governance heighten systemic risk. The representative supported mandatory contingency planning for high-risk and medium-risk contexts, post-emergency reviews and standardized provisions in bilateral partnerships to

improve coordination and accountability. She encouraged the alignment of the refugee coordination model with emergency protocols, the careful streamlining of the protection cluster to preserve technical expertise, and better interoperability between COMPASS and core systems to drive results-based planning.

22. The representative of **Chile** welcomed the additional matrix, which included measures and timelines for pending recommendations. Focusing on those related to cooperation with other United Nations entities, she noted that UNHCR participates in the United Nations Sustainable Development Cooperation Framework at the country level, but that its strategic planning is not fully aligned with the cycles of this framework. Noting that the Board recommended harmonization to improve coordination, she asked whether UNHCR guidance on this framework was available to States and whether the issue had been discussed as part of the Humanitarian Reset initiative. She also asked if the updated repository of collaboration frameworks was now accessible. She welcomed the decision in June by the Inter-Agency Standing Committee to streamline protection leadership into a single cluster and asked about the impact on reform processes and fieldwork. She requested updates on the implementation of the data platform to unify multiple sources and on the roadmap of the Design and Development Service and how it incorporates sustainable development and solutions. Finally, she highlighted synergies between the Human Rights Council and UNHCR, noting the relevance of the Independent Expert Platform on Refugee Rights launched at the 2023 Global Refugee Forum and looked forward to more information in December.

23. The representative of **Spain** noted that her country aligned with the statement delivered by the representative of the European Union on behalf of its member States and expressed support for the 2026 budget focus on protection, durable solutions and emergency response, while voicing concern about the funding gap. She welcomed transparency in financial adjustments and underlined the disproportionate impact of cuts on women and girls. She stressed the need for fairer responsibility-sharing and for national frameworks that guarantee freedom of movement, access to work, and public services. She highlighted Spain's experience in refugee integration, gender equality and protection of women and girls. She emphasized the importance of sustainable, long-term responses linking humanitarian action and development, referring to Spain's call to action at the Fourth International Conference on Financing for Development held in July in Seville. She welcomed efforts on protection from sexual exploitation and abuse and underlined that UNHCR must remain central to ongoing humanitarian reforms. She reaffirmed Spain's commitment to the mandate of international protection and to durable solutions.

24. The representative of **Italy** noted that her country aligned with the statement delivered by the representative of the European Union on behalf of its member States and welcomed transparency around difficult choices taken during restructuring. The representative supported measures on integrity, fraud prevention and zero tolerance for sexual exploitation, abuse and harassment and encouraged cooperation with IOM. She asked for clarification on the prominence of climate action in the 2026 programme and budget compared to 2025, on the linkage between the Global Refugee Forum progress review and budgetary processes and on resourcing for the new Global Alliance to End Statelessness.

25. The representative of **Kenya** requested details on bilateral partnerships in light of restructuring and the UN80 reform initiative, and on tools to measure the financial and administrative impact of participation in United Nations country teams and to identify overlaps that can be mainstreamed. The representative underlined the need for contingency plans in all high-risk countries and asked for guidance to support transitions from emergency to regular operations in cooperation with host governments.

26. The representative of **the Sudan** noted that her country aligned with the statement delivered by the representative of Côte d'Ivoire on behalf of the Africa Group and pointed out that the 2024 deficit reduction relied heavily on cuts to direct assistance and partnerships and cautioned of severe consequences for displaced populations if further cuts occur. The representative urged more predictable and unearmarked funding to safeguard flexibility, cautioned that self-insurance of staff benefits must not undermine field capacity and stressed that contingency planning and clear transition guidance were vital where displacement is both acute and protracted.

27. The representative of **Brazil** welcomed the reports and recognized the efforts of UNHCR to maintain internal audit and oversight amid resource constraints. The representative expressed concern about the impact of funding cuts in the Americas region, encouraged continued dialogue on prioritization and requested regular updates on broader reform discussions, including the UN80 and Humanitarian Reset reform initiatives. He encouraged continued support for the new Global Alliance to End Statelessness and expressed support for the conclusions on budget calculation methodologies by the Advisory Committee on Administrative and Budgetary Questions.

28. The **Controller and Director of the Division of Financial and Administrative Management (UNHCR)** acknowledged the tension between efficiency and internal controls and described measures to safeguard controls during downsizing. He highlighted the expansion of global shared services for transactional processing to strengthen segregation of duties in smaller offices and improve standardization. Regarding inter-agency collaboration, he cited joint solutions, such as the digital treasury hub, and noted the value of member State support for such initiatives. On the 2024 outturn, he explained that multiple variables prevented a single up-to-date deficit figure, including country-level spending adjustments to comply with financial rules, late-year contributions, exchange rates and the final profile of separation costs. He confirmed that there was ongoing work to update business continuity plans and standard operating procedures in high-risk contexts and reiterated that most high-risk operations have plans in place. He welcomed further discussion on building restricted reserves for termination costs and on future funding approaches for long-term staff liabilities.

29. The **Deputy Director of External Audit (United Nations Board of Auditors)** said that he shared the concerns raised on the robustness of control mechanisms during this period of transition. He noted that his office held regular meetings with UNHCR, which allowed them to carry out their mission in good conditions. He emphasized that the Statement of Internal Control showed that the organization addressed control issues at the highest level. He explained that the next audit cycle, to be presented in September 2026, would focus on human resources transformation, including the capacity to retain necessary skills, the management of warehouses and stocks where risks of closure exist and the transition from crises to sustainable solutions, such as repatriation and resettlement of refugees.

30. The **Deputy High Commissioner (UNHCR)** offered additional clarifications. On the Business Transformation Programme, she noted that the initiative had enabled efficiencies and that outstanding integration issues were being addressed through a dedicated governance and rectification effort, with continuous improvements expected as part of business as usual. Regarding contingency planning, she reported that 25 of the 26 highest-risk contexts had active plans, and that planning for the Sudan was being pursued through inter-agency arrangements with the humanitarian country team. On statelessness, she reaffirmed the strategic importance of the Global Alliance to End Statelessness while cautioning that delivery will need to match available resources. On inter-agency reform, she referenced ongoing alignment with the UN80 and Humanitarian Reset reform initiatives and highlighted collaboration with the human rights system under an existing memorandum of understanding, with transparency on inter-agency agreements to continue.

(iii) Report of the Office of Internal Oversight Services on internal audit in the Office of the United Nations High Commissioner for Refugees (A/AC.96/76/7)

31. The **Chief of the Audit Service (UNHCR)**, presenting on behalf of the Under Secretary General for Internal Oversight Services, introduced the annual report on internal audit activities. She stated that OIOS completed 15 engagements during the period, comprising seven headquarters or ICT audits, seven country operation audits, and one advisory engagement aimed at strengthening the implementation of audit recommendations. She explained that OIOS covered areas such as office premises arrangements, the use of the Population Registration and Identity Management Ecosystem (PRIMES) proGres registration system, supply chain structures, private sector engagement, implementation of COMPASS travel and the cash assistance management system. She recalled that over the last three years, OIOS audited 38 country operations, including 13 of the 24 rated as highest risk. She stated that the 15 audits issued 109 recommendations and that UNHCR accepted all of them. She reported that during the year, UNHCR implemented 117 recommendations, while

137 remained open as of 30 June; 31 per cent of these were past due, compared to 36 per cent a year earlier. She noted that OIOS had encountered no inappropriate interference and that coordination continued with the Inspector General's Office, the Evaluation Service, the United Nations Board of Auditors and the Joint Inspection Unit. She explained that, because of budget constraints, OIOS absorbed a 20 per cent reduction for the last quarter of 2025 and for 2026, deferred recruitment for three posts, left nine posts unfilled in total, relocated four posts from Geneva to Budapest and Nairobi, co-located remaining Geneva staff in UNHCR headquarters, cut travel by 50 per cent and cancelled three planned country audits. She concluded that declining resources limit the ability of OIOS to cover all high and medium risks within a three-year cycle.

32. The representative of **Ecuador** recognized the importance of this exercise for accountability, transparency and efficiency in the management of resources provided by the international community. She noted that OIOS carried out 15 audits and reviews during the period and welcomed that UNHCR accepted all recommendations, while urging the timely implementation of critical items that remained delayed. She highlighted three priorities: strengthening control and monitoring systems in field operations, improving the strategic planning of human and logistical resources, and ensuring that digital tools, such as COMPASS, proGres, and CashAssist, function in an integrated way with reliable data. She emphasized that the efficient and transparent management of resources strengthens credibility and ensures timely and adequate assistance to refugees and displaced persons. She reaffirmed her country's support for reinforcing a culture of compliance, integrity and accountability at all levels and reiterated her country's commitment to work constructively with UNHCR and other member States.

33. The representative of the **United Kingdom of Great Britain and Northern Ireland** welcomed the report and stressed that an effective, well-resourced internal audit is essential for assurance to member States. The representative noted OIOS budget and staffing reductions and requested the rationale for these cuts and clarity on any further reductions. The representative observed reduced coverage of high-risk operations and asked about implications for the coming year. The representative sought information on management follow-up to recommendations on emergency preparedness, data quality, targeting, partner oversight, policy compliance and value for money. The representative welcomed the reduction in overdue recommendations but urged further progress and requested confirmation that anomalies indicative of fraud had been appropriately followed up.

34. The representative of the **Russian Federation** thanked the internal auditor for the report and noted active engagement in the restructuring process. He expected the management of UNHCR to take the auditor's observations into account and adjust the restructuring accordingly. He stated that the list of strategic risk categories should include restructuring and requested that the auditor provide comprehensive information in the future on its impact on internal control, risk management, and cost efficiency. He requested the 2026 work plan to be shared and proposed that the annual report of the internal auditor include key performance indicators to strengthen accountability. In the context of the UN80 reform initiative, he said that member States would benefit from the auditor's views on ways to increase efficiency and reduce costs of oversight services. He asked whether discussions were taking place in the United Nations system on optimizing audit services and whether radical changes were expected in the auditor's work.

35. The **Chief of the Audit Service (UNHCR)** responded that 18 assignments were planned for the coming year. She stated that work plans would remain risk-based and include restructuring, with case studies on the first- and second-line impacts in the East and Horn of the Africa and the Great Lakes region, as well as in West and Central Africa, along with an advisory on fiduciary controls following restructuring. She explained that the annual plan is shared with senior management and reviewed and approved by the Independent Audit and Oversight Committee. She stated that current key performance indicators cover plan implementation and the acceptance and implementation of recommendations, and mentioned that options for enhancement are under discussion. She noted that OIOS is working with UNHCR on an assurance framework to strengthen reliance across the first, second and third lines. She added that efficiency measures include relocations, greater use of remote audits, a data strategy to leverage new UNHCR systems and a sharper focus on higher-risk areas.

36. The **Controller and Director of the Division of Financial and Administrative Management (UNHCR)** thanked OIOS and its team for their partnership, noting that recent challenges had highlighted the value of OIOS both in identifying issues and in advising on improvements. He expressed appreciation to the internal teams for accelerating the closure of audit recommendations, recognizing that internal controls function as part of organizational culture at all levels. He emphasized the importance of integrating audit and control in a broader framework, with increased centralization of payment, travel, procurement and human resources functions. He noted that digitization has transformed audit work by enabling real-time access to documents and systems, reducing the need for on-site file reviews and strengthening efficiency and oversight.

37. The **Deputy High Commissioner (UNHCR)** added that the relocation of OIOS to UNHCR headquarters would support efficiency and resource management. She confirmed that a 20 per cent budget reduction had been applied to OIOS compared to the original 2025 budget, part of the across-the-board cuts. Oversight entities faced lighter reductions than operational functions, but filling vacant posts remained unfeasible under current constraints. She emphasised that oversight remains a high priority, with audit coverage gaps being mitigated through coordination among oversight bodies. She noted that restructuring decisions had been informed by oversight advice and expressed confidence that future reporting in 2026 would reflect positive outcomes.

The meeting rose at 13:02 p.m.
