Internal audit in the Office of
the United Nations High Commissioner for Refugees
for the period from
1 July 2019 to 30 June 2020 (A/AC.96/1203)
• OIOS provides internal audit services to UNHCR in accordance with the relevant GA resolutions, United Nations Financial Regulations and Financial Rules for Voluntary Funds, Secretary-General’s Bulletin and a Memorandum of Understanding with UNHCR.

• During the reporting period:
  o OIOS had sufficient resources (budget and staffing), and
  o Did not experience any inappropriate interference in determining the scope of internal auditing in performing the work and/or in communicating results that would have impeded the independence of the OIOS internal audit function at UNHCR.
The outbreak of the COVID-19 pandemic resulted in some delays in completing ongoing engagements.

In April 2020, OIOS repurposed its audit workplan, after discussions with UNHCR management, to focus on emerging higher-risk areas:

- Supply chain management
- Partnership management
- Remote monitoring of programmes
- Cash-based interventions
- Distribution of core relief items in the context of the COVID-19 emergency

OIOS postponed the start of other engagements, which will either start later in the year or be postponed until 2021.
AUDIT REPORTS - TOTAL
OIOS completed 19 audits during the reporting period

Country Operation audits, 11

Review of recurrent issues, 1

HQ/Thematic/ICT audits, 7
FIELD AUDITS
Systemic issues in audits of field operations

Protection: 11 recommendations
• Child protection
• Preventing and combatting SGBV
• Registration
• Durable solutions

Cash Based Intervention (CBI): 9 (1 critical and 8 important) recommendations
• CBI strategy and related SOPs
• Needs assessment for CBI
• Controls over targeting of beneficiaries
• CBI design and delivery modalities
• CBI monitoring system
• Reconciliation of all cash payments

Partnership management: 7 recommendations
• Partner selection and retention,
• Preparation of project partnership agreements
• Monitoring of partners
• Project performance management
• The designation of procurement to partners

Procurement and supply chain management: 6 recommendations
• Procurement planning
• Vendor performance management
• Contract management
• Staffing for the supply function
• Management of security and fuel contracts.
THEMATIC AUDITS AND REVIEW
7 headquarters, thematic and ICT audits and 1 review of recurrent issues were completed

- Audit of health programmes
- Technology obsolescence
- Information and communications technology governance
- Arrangements for recruitment of international professional staff
- The upgraded Payroll Module of MSRP system
- Global Service Desk
- Arrangements for the audit certification process for implementing partners

As of 30 June 2020, the critical recommendation and 17 of the important recommendations have been implemented.

Total of 36 recommendations:
- 1 critical
- 35 important
OIOS issued 107 recommendations in the 19 engagements completed:

- 105 recommendations (98 per cent) were important; and
- 2 recommendations (2 per cent) were critical.

During the year, 158 recommendations were closed, including

- 146 which were fully implemented.
- 12 recommendations were closed without implementation.

At the end of the reporting period, 93 recommendations remained open, compared to 145 in the previous period. This was due to:

- OIOS issued a reduced number of recommendations in the current reporting period compared to the previous year mainly due to some delays in issuing final reports due to COVID-19 and the repurposing of the work plan to focus on advisory activities.
- Strong initiatives taken by UNHCR to address the backlog of past due recommendations.
- A total of 17 open recommendations (of which two critical) were over 2 years old as at 30 June 2020. This is a reduction as compared to last year, where 32 were outstanding for over 2 years. All 17 recommendations are in the process of being implemented. Of these 17 recommendations, 5 of them were critical.
SAVINGS AND RECOVERIES

• The implementation of a recommendation from the audit of the use of telecommunication devices and telecommunication expenditure control and billing resulted in a saving of nearly $577,000.

• Further recoveries totalling almost $500,000 resulted from the implementation of recommendations from another five audit engagements.
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<thead>
<tr>
<th>OIOS and the IGO continued to work closely on matters related to</th>
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<tbody>
<tr>
<td>▪ Effective collaboration and communication with UNHCR management</td>
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<tr>
<td>▪ Recurrent audit issues and their root causes</td>
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<td>▪ UNHCR’s internal oversight architecture</td>
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<td>▪ Issues arose during audit referred to IGO</td>
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<td>▪ Follow up on earlier referrals</td>
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<th>Periodic meetings were held with</th>
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<tr>
<td>▪ the Controller and Director of DFAM,</td>
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<td>▪ the Chief Risk Officer,</td>
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<td>▪ the Head of the Ethics Office,</td>
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<td>▪ the Principal Policy Adviser in the Executive Office, and</td>
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<td>▪ the Head of the Legal Affairs Service</td>
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<th>OIOS met with</th>
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<tr>
<td>▪ the High Commissioner,</td>
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<td>▪ the Deputy High Commissioner,</td>
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<td>▪ the Assistant High Commissioner for Protection,</td>
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<td>▪ the Assistant High Commissioner for Operations</td>
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<td>▪ the Chef de Cabinet to discuss matters relating to audit and oversight, and</td>
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<tr>
<td>▪ Directors of Regional Bureaux and Divisions and Representatives</td>
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<th>Attendance in three IAOC meetings</th>
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<td>IAOC’s appreciation on the repurposed COVID-19 related audit and advisory engagements</td>
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<tr>
<th>IAOC’s appreciation on actions taken by OIOS on IAOC’s previous requests to quantify the link between the OIOS work plan and UNHCR’s risk register</th>
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THANK YOU

Krishna Menon, OIC
UNHCR Audit Service, OIOS