



## **INTERNAL AUDIT DIVISION**

### **REPORT 2024/055**

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**Audit of arrangements for acquisition and management of office premises at the Office of the United Nations High Commissioner for Refugees**

**UNHCR needed to devise its strategy and reinforce processes for acquiring and managing its office premises in a cost-effective manner and with due consideration given to sustainability and safeguard of people and assets**

**12 November 2024**

**Assignment No. AR2023-161-01**

# **Audit of arrangements for acquisition and management of office premises at the Office of the United Nations High Commissioner for Refugees**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of arrangements for acquisition and management of office premises at the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess the adequacy and cost-effectiveness of controls over the arrangements for acquisition and management of office premises to support the delivery of its mandate. The audit covered the period from 1 January 2022 to 30 September 2023 and included (a) strategic and operational planning; (b) support frameworks (policies, systems and data); (c) acquisition and management of office premises, including for staff well-being, safety and security (duty of care); and (d) alignment to ongoing United Nations reforms.

UNHCR has since 2021 embarked on several policy and operational initiatives impacting arrangements for acquisition and management of office premises. These included decentralization and regionalization of resources, capacities and authorities away from headquarters, and introduction of the online facilities platform UNIFIER. However, UNHCR did not have a documented strategy to direct the acquisition and management of office premises, and needed to enhance oversight by the second line, including the policies, systems, and data to support office premises planning, monitoring and reporting. The gaps identified by the audit resulted in decisions by country operations that did not always provide best value in office premises acquisition and management.

OIOS made five recommendations. To address issues identified in the audit, UNHCR needed to:

- Develop a strategy with relevant performance indicators to communicate expectations on the acquisition and management of office premises;
- Reinforce availability of meaningful data for decision making through the integration of Cloud ERP and UNIFIER;
- Strengthen the second line's monitoring of field operations' compliance with related guidelines by defining minimum reporting actions;
- Define minimum monitoring and reporting actions in UNIFIER on safety for occupation of office premises; and
- Develop workplans to support the implementation and monitoring of the accessibility of premises under the Disability Inclusion Action Plan.

UNHCR accepted all recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

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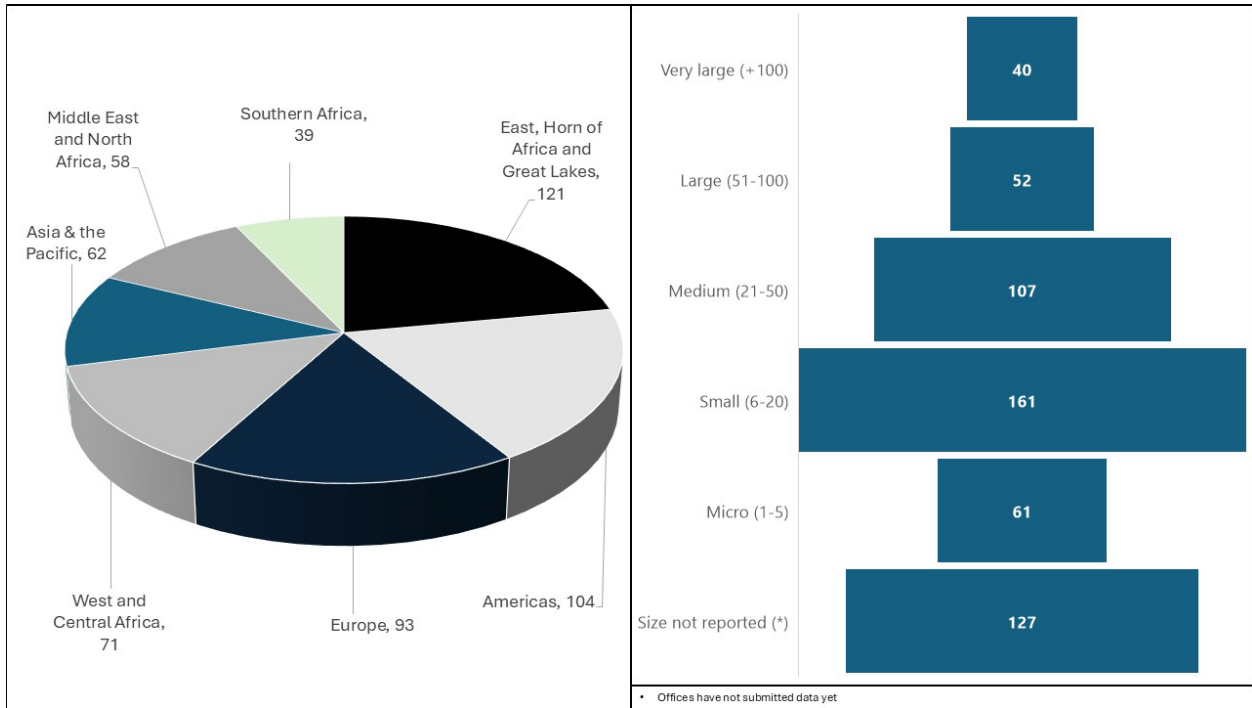
# Audit of arrangements for acquisition and management of office premises at the Office of the United Nations High Commissioner for Refugees

## I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of arrangements for acquisition and management of office premises at the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. As of 30 September 2023, UNHCR had recorded 548 premises worldwide in its real estate management system, UNIFIER, that housed 16,938 staff members and affiliates. Ninety-nine per cent of these premises were located in the field, with 35 per cent in hardship duty stations. UNHCR presence spanned over seven regions and 134 countries and territories as reflected in graph 1 below<sup>1</sup>. Overall, UNHCR occupied 531,682 square meters of office space with an average area of 31.4 square meters per worker (including support areas). Most office premises are located in three regions, East, Horn of Africa and Great Lakes (22 per cent), Americas (19 per cent) and Europe (17 per cent). Sixty per cent of the premises had less than 50 workers and 23 per cent of the offices had not yet populated their workforce data in UNIFIER.

**Graph 1 –UNHCR offices by region and workforce size**



3. UNHCR followed a decentralized approach for managing its office premises. It assigned responsibilities for acquisition and management of office premises to the respective country offices; and responsibilities for legal, technical and operational support and second line oversight to regional bureaux and divisions. The Division of Financial and Administrative Management (DFAM) managed the Geneva

<sup>1</sup> This included the headquarters in Geneva; three Global Service Center (GSC) offices (two in Budapest and one in Copenhagen); 13 liaison offices, 7 regional offices, 13 multi-country offices, 2 offices of Chiefs of Mission, 104 country offices, 12 national offices, 106 sub-offices, 172 field offices, 124 field units and 4 camp offices.

headquarters office and oversaw decisions to purchase office premises in the field; the Division of Emergency, Security and Supply (DESS) secured and preserved the operational capacity of office premises; the Staff Health and Well-being Services (SHWS), under the Division of Human Resources (DHR), promoted health safety and wellbeing as key drivers of productivity; and the Legal Affairs Services (LAS) supported related contractual obligations.

4. UNHCR acquired its office premises through: (i) leasing (for 78 per cent of the premises); (ii) in-kind contributions from governments authorities, including land on which to build office premises (12.7 per cent of the premises); and (iii) sharing facilities with other agencies or governments. It had also considered purchasing premises. Annual costs related to office premises were estimated at \$167 million from UNHCR's operating level budget, and they comprised of rent, security, and maintenance.

5. In January 2023, UNHCR went live with its first facility management platform, UNIFIER. UNHCR was at the time of the audit exploring the possibility of having UNIFIER interface with the two newly introduced systems, i.e., cloud-based enterprise for finance and supply chain management and Workday for human resources.

6. Comments provided by UNHCR are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

7. The objective of the audit was to assess the adequacy and cost-effectiveness of controls over the arrangements for acquisition and management of office premises to support the delivery of its mandate.

8. This audit was included in the 2023 risk-based work plan of OIOS because of its centrality in enabling UNHCR operations to execute their mandate.

9. OIOS conducted the audit from March 2023 to December 2023. The audit covered the period from 1 January 2022 to 30 September 2023. Based on an activity-level risk assessment, the audit covered higher risks areas in acquisition and management of office premises, i.e.: (a) strategic planning; (b) adequacy and effectiveness of policies, and reliability of systems and data; (c) arrangements for staff well-being, safety and security (duty of care); and (d) alignment to United Nations reforms on common premises, environmental sustainability and inclusion.

10. The audit methodology included: (i) a combination of remote and on-site visits of offices in the field and at headquarters<sup>2</sup>; (ii) review of documentation related to the arrangements for acquisition and management of the 45 sampled office premises;<sup>3</sup> (iii) analytical review of data stored in corporate repositories, including the online facilities platform (UNIFIER); and (iv) interviews with personnel at headquarters, regional bureaux and field offices.

11. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

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<sup>2</sup> Country offices: Republic of Congo (ROC), Angola, Niger, Yemen, Pakistan, Uganda and Democratic Republic of Congo (DRC). Multi-country offices: South Africa and Panama. Headquarters in Switzerland and the Global Service Center (GSC) in Hungary.

<sup>3</sup> The audit considered more than one premise in some of the field operations

### III. AUDIT RESULTS

#### A. Strategic planning

##### Need to develop a comprehensive strategy on office premises

12. At the time of the audit, UNHCR did not have a documented strategy to direct the acquisition and management of office premises, considering important aspects such as: (i) availability; (ii) acquisition cost; (iii) improvement/compliance works required to reach operational capacity; (iv) safety and security; (v) accessibility; (vi) exit costs (rehabilitation/restoration of premises at end of lease); (vii) institutional identity since main country offices were typically located in diplomatic areas that tended to be in expensive locations; and (viii) adoption of flexible work arrangements.

13. The absence of a written strategy resulted in missed opportunities to communicate clear expectations and a performance framework, as explained below:

- **Ownership.** UNHCR had not set criteria to guide its decisions on whether to purchase, rent or build an office premise. UNHCR maintained extended lease agreements: 78 per cent of its office premises were leased, despite most operations having long-standing agreements (for up to 23 years) and an even longer overall presence in some host countries. Also, the increasing lease costs would normally justify purchasing of buildings as opposed to leasing, to save cost in the short term and provide capital gains or future revenue in the long term. However, purchasing was not the preferred option for UNHCR due to unpredictability of funding and uncertainty of office space requirements over time.
- **Off-shoring, co-location and flexible work arrangements.** UNHCR had adopted offshoring by relocating some of its back office and headquarters' functions to Budapest and Copenhagen to take advantage of in-kind contribution from the host countries; co-location in some country operations with other UN entities; and the adoption of flexible work arrangements, almost exclusively at headquarter locations. However, its entities were not directed on when and the extent to which they could adopt these options.
- **Operational planning.** When preparing their annual plans, field operations did not conduct cost-benefit analyses to inform their decisions on rental, purchase or construction options for their premises. The resultant long-term implications of related decisions made by heads of UNHCR entities bound entities in the medium to long term as prior investments in maintaining operability and compliance of facilities often constituted a relevant exit cost to existing arrangements.

14. In the absence of a documented strategy, UNHCR's direction on office premises was inferred from an operational guidance, i.e., the handbook on leasing office premises (2021). This guidance, however, remained at operational level in nature and, as such, was inadequate in providing strategic direction. Furthermore, UNHCR did not identify related risks and opportunities concerning office premises. The audit noted that none of the 1,767 risks and 158 opportunities identified at divisional, regional and field operation levels could be related to office premises.

**(1) The UNHCR Division of Financial and Administrative Management should develop a UNHCR strategy with relevant performance indicators on the acquisition and management of office premises.**

*UNHCR accepted recommendation 1 and stated that it will develop a strategy on the acquisition and the management of office premises.*

## **B. Regulatory framework**

### Need to strengthen the policy framework and implementation of systems and tools

15. To ensure operability, sustainability and best value for money of office premises at global level, UNHCR needed policies, systems, and data to support its planning, monitoring and reporting.

#### **Policies**

16. DFAM developed the Handbook on Leasing Offices in 2021 (under review for revision at the time of the audit) to provide ‘step-by-step’ guidance on the identification of requirements and options to ensure duty of care towards personnel and obtain the best value for money. UNHCR has also issued new policies on environmental sustainability and social inclusion as well as staff wellbeing, which should be considered in decision making for office premises. However, as reflected in Section A, these operational guidelines needed to be informed by a strategy.

#### **Systems**

17. UNHCR provided the policy frameworks and tools that guided the first line in the execution of their respective roles on acquisition and management of office premises that were secure and supported the wellbeing of the workforce. For example, DFAM, DESS and DHR had put tools in place for self-assessment and reporting:

- DFAM had introduced UNIFIER as an integrating tool to bring together office premises related information from various sources;
- Field Security Services (DESS) leads the annual self-evaluation of compliance with security risk management measures and mid-year update, collecting and assessing global inputs and presenting consolidated data for senior management; and
- DHR’s OHS management system relies on a set of self-reporting assessments and surveys at the local level, with heads of office and local OHS Focal Points monitoring and escalating health and safety issues to regional committees.

18. However, these systems had their own limitations, were at different stages of implementation, and it was not clear how the information they generated would be analyzed to inform decision making.

19. UNHCR did not have an integrated database on office premises to support organization-wide policy and decision-making until the introduction of UNIFIER in 2023. Yet, UNIFIER was not integrated with other related systems, i.e., Cloud ERP and Workday. Consideration for the integration of these systems had only started as part of UNHCR’s transformation processes. Thus, the data in UNIFIER had to be manually reconciled with what was in other systems, pending interfacing and integration of these systems. Once fully operational and integrated with Cloud ERP and Workday, UNIFIER was expected to support annual financial reporting and provide operational information on cost efficiency, environmental sustainability and safety and security. The systems were also expected to provide structured, accurate and timely financial and operational information for strategic and operational planning and decision making.

20. The lack of key data on office premises impacted on UNHCR’s ability to make effective decisions regarding the acquisition of properties, investment in workforce space, optimization of available limited

resources and transitioning to more sustainable solutions. The lack of information also impacted on the first and second lines' access to information for planning, decision making and oversight.

## **Financial data**

UNHCR's accounting system was not designed to provide financial information specific to the management of office premises, The closest reporting made in this regard was at the level of Administrative Budget and Obligation Document (ABOD), which however does not provide useful insight into the cost of acquiring and managing office premises, individually or as a whole, to support reporting and decision making. Illustratively:

- UNHCR did not record how much of the reported donor contributions related to rental of office premises and ancillary services. This was because accounts are segmented by type of contributor and not destination of funds. Revenues from office space leased out to other agencies, e.g., \$334,994 received in Uganda and DRC, was recorded as miscellaneous income.
- There was no sub-category for office premises under the ABOD budget line where funds are allotted, and cost recorded. Therefore, no detailed cost-analysis on office premises was conducted.
- There were 23 different accounts under which office premise expenditure could be recorded. For example, the recording of security costs was based on what they were for: i.e., under ABOD for office premises; and under programme for service delivery, e.g., warehousing. However, there were no controls in place to ensure that only office premise related security costs related to office premises were charged to ABOD, which meant that reported costs may have been over or under reported. The account for fuel was receiving both purchases for vehicles and generators.
- UNHCR had set a capitalization threshold of \$250,000 and this was restricted to headquarters, regional bureaux, and main country offices. All other related costs were expensed, and this resulted in an understatement of the organization's long-term investments in real estate. For example, while the cost of land and buildings in the 2022 financial statements remained unchanged at \$8,647,000, major alterations and improvements amounting to \$4,626,000 were recorded in that year.

21. UNIFIER and Cloud ERP did not have an item category that identified and reported costs per building. This would help UNHCR derive the per capita cost of operating each office building and be used as a parameter for assessing their adequacy and cost-effectiveness. Once fully operationalized, the two systems are expected to fully support the analysis and reporting on the total cost of occupancy or ownership (rent, related operational expenditure and capital improvements).

22. The issues above impacted the reliability of available financial information on office premises for planning and decision making.

**(2) UNHCR Division of Financial and Administrative Management should reinforce availability of meaningful data for decision making and improve the reliability of financial information on office premises through identifying and implementing opportunities for optimizing the integration of Cloud ERP and UNIFIER.**

*UNHCR accepted recommendation 2 and stated that DFAM will evaluate opportunities to improve and optimize the integration between Cloud ERP and UNIFIER, with a particular focus on the contracts' module, lease accounting processes, and office building expense reporting. DFAM however cautions*



*that the actual implementation of proposals from the assessment will depend on factors such as resource availability.*

Need to strengthen monitoring of entities to ensure compliance with UNHCR operational guidelines on office premises

23. To ensure operability, sustainability and best value for money of office premises at headquarters, regional and country levels, UNHCR needs to monitor compliance with operational guidelines. Further, to ensure that its staff are protected from intentional, malicious acts and other hazards, UNHCR should ensure its office premises adhere to defined OHS and security standards.

**Challenges in assuring best value in acquisition of premises and ancillary services**

24. UNHCR entities' ability to obtain value for money when acquiring office premises was impacted by external challenges in the real estate market, e.g., market dynamicity, limited options, nonstandard requirements and offering, and use of residential units in place of commercial ones for lack of the latter. This resulted in some field operations being housed in less-than-optimal office premises:

- In Quetta, Pakistan, the Representation had leases with six private owners to obtain the required office space;
- In Kampala, Uganda, the Representation rented a substandard extension office in a poor physical state that needed urgent renovation work;
- In Brazzaville, ROC, former government facilities offered by the Government were not deemed appropriate by management, due to their status and location.

25. Further, the dynamic nature of UNHCR operations primarily driven by emergencies also posed challenges in terms of the frequency of changes that had to be made to the number and location of offices in order to deliver services to displaced persons. For example, the DRC had 16 active office premises at the time of the audit but had over decades of relocations occupied 49 different office locations.

26. The audit also identified recurrent non-compliance with procurement rules in the procuring of leases and ancillary services in Panama, Uganda, South Africa, Pakistan, Yemen, ROC and Angola. The audit reviewed 24 lease contracts and 20 contracts for ancillary services and found that nine and eight respectively (36 and 40 per cent) were not compliant. These related to:

- Tardy signature of contracts and extension of leases resulting in ex-post facto notifications to the relevant contract committees of related unapproved expenditure;
- The lack of due diligence in ensuring competitiveness of existing contract when renewing leases; and
- Extension of ancillary contracts for the provision of other additional services, e.g., utilities, security, cleaning and maintenance, without competition. The main justification for recurrent waiving of competitive procedures was real estate market challenges, invoking United Nations Rule 105.16 (vi).<sup>4</sup>

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<sup>4</sup> When the proposed procurement contract is for the purchase or lease of real property and market conditions do not allow for effective competition.

27. Furthermore, the audit highlighted inconsistencies in the application of the requirement that lessors provide UNHCR with proof of their insurance of the leased premises. The data in UNIFIER as of 10 September 2023 showed that 101 office buildings had commercial insurance with the remaining 460 reported as self-insured or lacking relevant insurance information. For instance, the Arua sub-office in Uganda did not insure the buildings and thus the resultant risk was transferred to UNHCR. Further, insurance documentation for the branch office in Uganda showed that the property was insured for \$800,000 yet the quoted value of the building was \$5.5 million. This resulted in UNHCR having heightened financial liability in the event that there was damage to buildings and third parties.

28. The above gaps not only increased financial risks but also impaired operational efficiency.

### **Oversight by the bureaux**

29. The bureaux responsibilities included: (a) facilitate quality assurance and risk management; (b) monitor the first line's compliance with laid down procedures; (c) provide technical support to field operations to improve impact, relevance and efficiency of office premises; and d) address strategic, operational and managerial issues and concerns. In the period under audit, none of the six bureaux reviewed had conducted any oversight activity of field operations' arrangements for acquisition and management of office premises.

30. The above highlights gaps in the second line's oversight over the first line's decisions. If unchecked, these decisions could compromise the safety and well-being of personnel, and result in sub-optimal use of resources, financial risk and reputational damage. UNIFIER provided the bureaux an opportunity to incorporate controls and provide visibility on office premises compliance with related policies and standards.

**(3) To increase field operations' compliance with relevant guidelines on office premises, the UNHCR Division of Financial and Administrative Management Division should reinforce Bureau monitoring by defining the minimum monitoring and reporting actions they should conduct in UNIFIER.**

*UNHCR accepted recommendation 3 and stated that the Unifier Portal now includes a table for Regional Bureaux that monitors compliance with minimum reporting actions at the country level, serving as the primary tool for compliance tracking. A memo from the Head of GMIS, through the Controller, will be sent to the Bureaux to outline the minimum monitoring actions and reinforce the steps that Bureaux and country operations must take to enhance compliance with mandatory UNIFIER reporting, as outlined in the 2024 Administrative Instruction on Asset Management.*

### **Legal and technical oversight**

31. LAS and GIS provided legal and technical reviews only when requested by country offices or their respective bureaux. There was no mechanism in place to ensure that all relevant cases requiring submission had been submitted. The audit noted that 80 per cent of requests for legal and technical review came from three regions only. Given the significant investment that results from the Contracts Committee decisions on office premises, consideration should be given to involve LAS and GIS reviews prior to rather than after the fact. This would ensure that all relevant cases are submitted, thereby enforcing the second line oversight.

32. The LAS reviewed modifications and extensions of standard lease agreements and provided advice and recommendations. However, because action was initiated by the requesting office, LAS did not have visibility on all the contracts that required its review. This raised a risk that non-compliant lease contracts

would not be submitted to LAS as required and related risk exposures would go unnoticed. For example, the audit noted instances where nonstandard formulations for Article 14 of model lease contract on Insurance, Liability and Indemnity were used. The LAS noted that it did not have resources to conduct comprehensive reviews of all lease agreements and therefore accepted the residual risk that arose.

33. At headquarters, GIS' aim is to identify opportunities for cost savings and efficiency gains, automate internal and external reporting; monitor business trends, facilitate collaboration between sections and guide decisions on sustainable and energy efficient design and healthier, more accessible, equitable and inclusive workplaces that meet the needs of UNHCR workforce. Its global support unit, based in Budapest, provided guidance on the establishment of new office premises and technical support on engineering and construction issues submitted by field offices.

#### Need to strengthen duty of care processes

34. The duty of care is a non-waivable duty on the part of the organization to mitigate or otherwise address foreseeable risks that may harm or injure its workforce. The duty of care consists both of security management, to protect staff from intentional, malicious acts and other hazards, and the prevention of work-related injuries and the protection and promotion of the health and safety of workers (including mental health).

#### **Security management**

35. UNHCR conducts annual assessments of its compliance with Security Risk Management Measures. It assessed 487 offices in the seven regions in 2022 with a global average compliance rate of 85 per cent, 13.4 per cent near compliance (64 offices) and a non-compliance rate of 2.26 per cent (11 offices). However, the audit noted discrepancies such as inadequate perimeter security at the Kampala Branch Office and non-functioning CCTV in Brazzaville, contradicting the annual assessment reports. This reflected gaps in the oversight over security assessments of office premises that needed to be addressed.

36. Furthermore, UNHCR did not have comprehensive data on the security of office properties. UNIFIER only had partial security data, i.e., 42 premises in high-risk locations with blast vulnerability assessments done, only 39 with blast resistant measures and only 29 with security clearance. Gaps in information and accuracy of data on compliance with security measures can expose staff to security risks and result in loss or injuries/damages to staff and assets and in turn compromise the organization's ability to deliver and its reputation.

#### **Staff safety and wellbeing**

37. UNHCR's policy on OHS (2021) provides a framework for the establishment of a risk-based management system to be implemented in all premises to manage and minimize OHS risks, monitoring occupational health and safety standards, providing safety and health training and implementing an incident reporting system, also in line with the UN Living and Working Minimum Standards for offices and accommodation in non-high-risk environments. Accordingly, Heads of offices were responsible for ensuring OHS of their personnel with the support of 240 focal points appointed globally and related committees.

38. However, none of the 45 offices reviewed as part of this audit could demonstrate that they have conducted workplaces examination for the identification and mitigation of causes of injury or ill health to personnel. Additionally, available tools such as the annual staff surveys to assess workforce perception had not been leveraged to identify areas that needed action regarding suitability, appropriateness, or safety of working space.

39. UNIFIER was populating technical and legal compliance information and this presented an opportunity to identify systemic gaps. For example, as of September 2023, per UNIFIER, only 199 buildings had occupancy certificates by the relevant local administration and only 18 earthquake resistance assessments had been conducted against 382 buildings located in earthquake prone areas. This required prompt action, as was highlighted by November 2023 earthquake in Herat (Afghanistan). Further, the gaps in compliance with procurement rules noted in section C raised the risk regarding the maintenance of minimum standards for buildings, and their safety for staff and visitors.

40. At the country level, delays in implementation of OHS were attributed to the recency of the new policy and tools and the time and resources required to implement it.

**(4) The UNHCR Division of Financial and Administrative Management should coordinate with the Divisions of Human Resources and Emergency, Security and Supply to define minimum monitoring and reporting actions in UNIFIER on safety for occupation of office premises.**

*UNHCR accepted recommendation 4 and noted that DFAM was developing the module for reporting on the safety of office premises.*

### **C. Alignment with United Nations reforms**

#### Need for a strategy to direct the common office premises initiative

41. The audit noted that UNHCR was sharing premises with other United Nations agencies in Angola, the DRC, Yemen and Niger and had signed an agreement to construct an office within the United Nations Office at Nairobi compound for the East, Horn of Africa and Great Lakes regional bureau and Kenya and Somalia field operations. UNHCR was also considering building facilities on the Economic Commission for Africa compound in Addis Ababa, Ethiopia.

42. There was differing information on the extent to which UNHCR was sharing premises. The 2022 United Nations Joint Inspection Unit report on common premises noted that UNHCR accounted for a quarter of the 2,460 UN single premises. The United Nations Development Coordination Office (UNDCO) in 2023 assessed 42 per cent of UNHCR office premises as potential common premises. The data in UNIFIER showed that only 83 (15 per cent) of UNHCR's premises were shared with two or more other agencies in 2023.

43. UNHCR's low rate of shared premises (15 per cent in UNIFIER against the 42 per cent assessed by UNDCO as potential) was attributed to the fact that co-location was not prioritized. UNHCR's handbook on leasing office premises indicated that co-location was the second option after contacting the government. However, co-location could be ruled out when: (i) there were compelling security, financial or operational requirements; (ii) the costs of new premises were prohibitive; and/or (iii) there was no possibility for consolidating presence with other agencies. UNHCR's unique operational requirements also presented challenges, due to the high-risk locations in which it operated and the need for additional security due to demonstrations that were common outside its offices. Further, UNHCR did not have a capital fund to support co-location.

44. Lack of a clear strategy on common premises would help UNCHR achieve the anticipated savings arising from shared rent, utilities, energy, sanitation, security and consolidation of back offices, as prospected in the UN Common Premises agenda. Other benefits that were expected to come from common

premises included improved collaboration, environmental sustainability, accessibility and public image. UNHCR needed a strategy including a set of targets (on the office numbers and efficiency gains) for its performance regarding co-location. This is addressed under recommendation 1.

#### Need to expedite implementation of environmental sustainability and inclusion programmes

45. The United Nations strategy for sustainability management (2020–2030) aims at integrating environmental and social sustainability principles across its work to support the SDGs goals. This strategy includes the commitment that all United Nations facilities, starting with common premises, follow standards and guidance for sustainable building management to reduce carbon dioxide emissions by 45 per cent by 2030.

46. UNHCR's 2022 yearly environmental inventory survey on 464 offices showed that it accounted for four per cent of all United Nations emissions in 2021. This primarily was from office facilities that had some 3,000 generators that generated 70 per cent of its 55,000 tons of greenhouse gas emissions. While the report showed a reducing trend in greenhouse emissions from 2018 when UNHCR initially started reporting, UNHCR still scored low on environmental management system, recycling of water and solid waste recovery.

47. UNHCR committed to reduce its carbon footprint through the transformation of its office infrastructure. UNHCR needed \$60 million to transition all its offices to primarily use renewable energy by 2030; of which \$24 million was still unfunded. To facilitate this transition, UNHCR established a long-term revolving capital fund, the Green Finance Facility, managed by DFAM and a Greening and Sustainability Team in Nairobi, Kenya to work on four focus areas:

- Installation of Green Boxes at offices to get live data accessible on PowerBI dashboard. This was proceeding at a good rate.
- Development of the revolving capital fund (the Green Finance Facility) piloted in Uganda, Kenya and Ethiopia. However, solarization in the pilot countries was running late.
- Capturing information on selected sustainability indicators to show progress, including for ongoing annual mandatory UN-wide Greening the Blue report.
- Promoting energy efficient practices and eco-conscious behaviors throughout UNHCR to create a culture of energy efficiency, supported by a sound environmental policy. For instance, a solar power system was installed in Peshawar and Quetta (Pakistan) to reduce use of diesel and electric grid and lower operating cost. At headquarters initiatives included installation of motion-sensitive, tunable smart lights and waste management initiatives, including sorting and recycling.

48. While there was progress in policy making and collection of data, the emission reduction programme needed resources to be expedited.

#### Need to develop workplans to implement and monitor the Disability Inclusion Action Plan

49. UNHCR operationalized the United Nations Disability Inclusion Strategy (2019) by implementing a Disability Inclusion Action Plan (2020-2024) and an administrative instruction (in 2021) on workplace accommodation. However, no structured information was provided on the implementation of these action plans to assess their impact on office premises.

50. UNIFIER had provisions for an accessibility and inclusion module for facility managers to assess and share information related to physical accessibility. While some of the accessible and inclusive features were already implemented at headquarters office in Geneva in 2023, many field offices still lacked basic features for accessibility such as ramps and elevators. For example, the offices in ROC had several barriers to access. Also lacking in many locations were bathrooms for people living with disabilities and the sensitivity for gender-neutral bathrooms.

51. Gaps in the consolidation of United Nations initiatives in strategic and operational guidance for office premises meant that benefits associated with these initiatives could not be realized.

**(5) The UNHCR Division of Financial and Administrative Management should develop workplans to implement and monitor accessibility of premises under UNHCR's Disability Inclusion Action Plan.**

*UNHCR accepted recommendation 5 and stated that to align with indicator 6 of the Disability Inclusion Action Plan, DFAM has undertaken several key initiatives, i.e., (i) the UNIFIER system now includes an accessibility module to record and track accessibility features in office buildings worldwide; (ii) a Handbook on Physical Accessibility for UNHCR Offices will be launched before year end, aimed at enhancing the accessibility standards of office spaces with a country workplan template; and (iii) a memo will be sent to Bureaux with the Handbook with reference to the workplan template.*

#### **IV. ACKNOWLEDGEMENT**

52. OIOS wishes to express its appreciation to the management and staff of UNHCR for the assistance and cooperation extended to the auditors during this assignment.

Internal Audit Division  
Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

### Audit of arrangements for acquisition and management of office premises at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	C/ O <sup>7</sup>	Actions needed to close recommendation	Implementation date <sup>8</sup>
1	The UNHCR Division of Financial and Administrative Management should develop a UNHCR strategy with relevant performance indicators on the acquisition and management of office premises.	Important	O	Receipt of evidence that a strategy, inclusive of performance framework to support the measurement of UNHCR's progress in its implementation, has been finalized.	31 December 2025
2	UNHCR Division of Financial and Administrative Management should reinforce availability of meaningful data for decision making and improve the reliability of financial information on office premises through identifying and implementing opportunities for optimizing the integration of Cloud ERP and UNIFIER.	Important	O	Receipt of evidence that systems are reinforced to provide decision making and an assessment has been conducted to identify potential areas of integrating Cloud ERP and UNIFIER to improve the reliability of financial information on office premises.	31 December 2025
3	To increase field operations' compliance with relevant guidelines on office premises, the UNHCR Division of Financial and Administrative Management Division should reinforce Bureau monitoring by defining the minimum monitoring and reporting actions they should conduct in UNIFIER.	Important	O	Receipt of evidence that minimum monitoring and reporting actions over office premises for the Bureaux have been enacted.	31 December 2025
4	The UNHCR Division of Financial and Administrative Management should coordinate with the Divisions of Human Resources and Emergency, Security and Supply to define minimum monitoring and reporting actions in UNIFIER on security and safety for occupation of office premises.	Important	O	Receipt of evidence that minimum monitoring and reporting actions in UNIFIER on safety for occupation of office premises have been defined.	31 December 2025

<sup>5</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>6</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

<sup>7</sup> Please note the value C denotes closed recommendations whereas O refers to open recommendations.

<sup>8</sup> Date provided by UNHCR in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

### Audit of arrangements for acquisition and management of office premises at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	C/ O <sup>7</sup>	Actions needed to close recommendation	Implementation date <sup>8</sup>
5	The UNHCR Division of Financial and Administrative Management should develop workplans to implement and monitor accessibility of premises under UNHCR's Disability Inclusion Action Plan.	Important	O	Receipt of evidence that the accessibility Handbook and workplan template have been finalized and distributed.	31 December 2025



# **APPENDIX I**

## **Management Response**

## Management Response

### Audit of arrangements for acquisition and management of office premises at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>9</sup> / Important <sup>10</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
1	The UNHCR Division of Financial and Administrative Management should develop a UNHCR strategy with relevant performance indicators on the acquisition and management of office premises.	Important	Yes	Chief of Global Infrastructure Section	31 December 2025	UNHCR will develop a strategy on acquisition and management of office premises.
2	UNHCR Division of Financial and Administrative Management should reinforce availability of meaningful data for decision making and improve the reliability of financial information on office premises through identifying and implementing opportunities for optimizing the integration of Cloud ERP and UNIFIER.	Important	Yes	Controller	31 December 2025	DFAM will evaluate opportunities to improve and optimize the integration between Cloud-ERP and UNIFIER, with a particular focus on the contracts' module, lease accounting processes, and office building expense reporting.  DFAM understands that OIOS will close this recommendation once DFAM presents the assessment results on potential areas for further integration. The actual implementation of agreed steps may depend on factors such as resource availability, which are outside the scope of this recommendation.
3	To increase field operations' compliance with relevant guidelines on office premises,	Important	Yes	Head of Global	31 December 2025	The Unifier Portal now includes a table for Regional Bureaux that

<sup>9</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>10</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

<b>Rec. no.</b>	<b>Recommendation</b>	<b>Critical<sup>9</sup>/ Important<sup>10</sup></b>	<b>Accepted? (Yes/No)</b>	<b>Title of responsible individual</b>	<b>Implementation date</b>	<b>UNHCR comments</b>
	the UNHCR Division of Financial and Administrative Management Division should reinforce Bureau monitoring by defining the minimum monitoring and reporting actions they should conduct in UNIFIER.			Mobility Infrastructure Service		<p>monitors compliance with minimum reporting actions at the country level, serving as the primary tool for compliance tracking.</p> <p>A memo from the Head of GMIS, through the Controller, will be sent to the Bureaus. This memo will outline the minimum monitoring actions and reinforce the steps that Bureaus and country operations must take to enhance compliance with mandatory UNIFIER reporting, as outlined in the 2024 Administrative Instruction on Asset Management.</p> <p>DFAM requests the closure of this recommendation upon providing evidence of the delivery of the memo.</p>
4	The UNHCR Division of Financial and Administrative Management should coordinate with the Divisions of Human Resources and Emergency, Security and Supply to define minimum monitoring and reporting actions in UNIFIER on security and safety for occupation of office premises.	Important	Yes	Chief of Global Infrastructure Section	31 December 2025	DFAM accepts the recommendation regarding safety, acknowledging that the module for reporting on the safety of office premises is currently in development.
5	The UNHCR Division of Financial and Administrative Management should develop workplans to implement and monitor UNHCR's Disability Inclusion Action Plan.	Important	Yes)	Chief of Global Infrastructure Section	31 December 2025	<p>DFAM is only responsible for Indicator 6 on Accessibility under the Disability Inclusion Action Plan.</p> <p>To align with indicator 6 of the Disability Inclusion Action Plan, DFAM has undertaken several key initiatives:</p>

Rec. no.	Recommendation	Critical <sup>9</sup> / Important <sup>10</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>(i) The UNIFIER system now includes an accessibility module to record and track accessibility features in office buildings worldwide.</p> <p>(ii) A Handbook on Physical Accessibility for UNHCR Offices will be launched before year end, aiming at enhancing the accessibility standards of office spaces with a country workplan template.</p> <p>(iii) A memo will be sent to Bureaus with the Handbook with reference to the workplan template.</p> <p>DFAM will request the closure of this recommendation upon submission of the Handbook and the memo.</p>