



INTERNAL AUDIT DIVISION

REPORT 2015/166

Audit of the operations in Myanmar for
the Office of the United Nations High
Commissioner for Refugees

Overall results relating to effective
management of the operations in Myanmar
were initially assessed as partially
satisfactory. Implementation of four
important recommendations remains in
progress.

FINAL OVERALL RATING: PARTIALLY
SATISFACTORY

8 December 2015
Assignment No. AR2015/141/06

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AUDIT REPORT

Audit of the operations in Myanmar for the Office of the United Nations High Commissioner for Refugees

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in Myanmar for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. The UNHCR Representation in Myanmar (hereinafter referred to as ‘the Representation’) was established in 1994. The Representation was leading the Protection Sector and the merged Cluster on Camp Coordination and Camp Management (CCCM)/Shelter/Non-Food Items (NFI) under the inter-agency humanitarian response mechanism established for the emergency situations in Rakhine, Kachin and northern Shan State. The Protection Sector consisted of United Nations agencies and national and international non-governmental organizations involved in protection issues related to the situations in Myanmar. The Representation worked closely with the government counterparts and partners to provide protection and support to persons of concern pending the identification of durable solutions. It also undertook protection monitoring and reporting, as well as advocacy with local and union governments on issues related to displacement and statelessness. The Representation supported camp management activities in 155 camps for Internally Displaced Persons (IDPs) through community mobilization and strengthening of community based protection. As at 31 December 2014, the Representation’s persons of concern included 253,500 IDPs and an estimated 1 million persons of undetermined citizenship.
4. The Representation was headed by a Representative at the D-1 level. It had a Country Office in Yangon, four Field Offices (in Hpa-An, Myitkyina, Sittwe and Maungdaw), six Field Units (in Bhamo, Buthidaung, Loikaw, Mauwlamyine, Myeik and Taungoo) and a Liaison Office in Hakha. As at 31 December 2014, it had 184 authorized posts. The Representation had expenditure of \$29.4 million in 2013 and \$20.9 million in 2014. It worked with 17 partners in 2013 and 14 in 2014. These partners spent a total of \$17.6 million during this two-year period, representing 52 per cent of the Representation’s total programme-related expenditure of \$34.0 million.
5. Comments provided by UNHCR are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of UNHCR governance, risk management and control processes in providing reasonable assurance regarding the **effective management of UNHCR operations in Myanmar**.
7. The audit was included in the OIOS 2015 risk-based internal audit work plan for UNHCR due to risks associated with managing the programme and protection activities for the persons of concern in an environment of armed conflicts and inter-communal violence in Myanmar.

8. The key controls tested for the audit were: (a) strategic planning; (b) project management; and (c) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:

(a) **Strategic planning** - controls that provide reasonable assurance that the Representation's strategic plans for its programme and protection activities are developed in alignment with UNHCR global strategic priorities.

(b) **Project management** - controls that provide reasonable assurance that there is proper planning and implementation as well as accurate and complete monitoring and reporting of the Representation's project activities.

(c) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide UNHCR operations in Myanmar; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.

9. The key controls were assessed for the control objectives shown in Table 1.

10. OIOS conducted the audit from June to September 2015. The audit covered the period from 1 January 2013 to 31 December 2014. OIOS visited the Representation's Country Office in Yangon as well as the Field Offices in Myitkyina, Sittwe and Maungdaw.

11. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews and analytical reviews, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

12. The UNHCR governance, risk management and control processes examined were initially assessed as **partially satisfactory**¹ in providing reasonable assurance regarding the **effective management of UNHCR operations in Myanmar**. OIOS made four recommendations to address issues identified in the audit.

13. The Representation's control arrangements over strategic planning, as well as the components of project management related to cluster coordination and management of shelter activities, and the component of regulatory framework related to financial tracking and reporting were working effectively. However, there was a need for the Representation to: (a) put in place procedures for post-distribution reconciliation of NFIs; (b) strengthen supervisory arrangements over the review of partners' procurement activities and narrative performance reports; (c) activate the Vendor Review Committee, prepare procurement plans and develop a training plan for enhancing the technical competence of the members of the Local Committee on Contracts; and (d) put in place mechanisms for monitoring of the vehicle fleet.

14. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of four important recommendations remains in progress.

¹ A rating of "**partially satisfactory**" means that important (but not critical or pervasive) deficiencies exist in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Table 1
Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of UNHCR operations in Myanmar	(a) Strategic planning	Satisfactory	Satisfactory	Satisfactory	Satisfactory
	(b) Project management	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(c) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A. Strategic planning

Controls over strategic planning were satisfactory

15. The UNHCR Global Management Accountability Framework requires the Representation to prepare and implement a country strategy that is coherent and consistent with the UNHCR Global Strategic Priorities and guides the Representation in meeting its commitment to protect, assist and find solutions for all persons of concern. Based on a comprehensive needs assessment, the Representation is required to develop a Country Operations Plan that identifies the objectives for different planning population groups, as well as the related targets and budget allocations. The Representation is required to establish a protection strategy for its operations.

16. The Representation, instead of conducting a separate needs assessment, participated in the annual comprehensive inter-agency needs assessment exercise of the Humanitarian Country Team that led to the establishment of the Strategic Response Plan for Myanmar. This process also considered age and gender diversity mainstreaming issues, as required by UNHCR procedures. Subsequently, the Representation prepared its 2013 and 2014 Country Operations Plans and the Protection Strategy for 2013-2015. All these documents took into account the UNHCR global strategic priorities and the specific needs of persons of concern. The 2013 and 2014 Country Operations Plans also set annual goals and objectives for the different population planning groups and defined activities and outputs with allocated budgets. OIOS concluded that the Representation's controls over strategic planning were satisfactory.

B. Project management

The Representation had satisfactory mechanisms in place for discharging its responsibilities as lead cluster coordinator

17. The Humanitarian Country Team's Strategic Response Plan for Myanmar requires the Representation to lead the merged cluster on CCCM/shelter/NFI. In this regard, the Representation is required to provide a forum for effective coordination and communication among the participating humanitarian actors, conduct periodic meetings and establish arrangements to monitor the progress in implementing the planned cluster activities.

18. The Representation maintained the cluster portal for Myanmar on the global CCCM/shelter cluster website and also kept the shared management information system updated with information on cluster members, performance and monitoring reports, meeting minutes and camp profiles, in order to ensure effective coordination and communication among cluster members. It conducted periodic cluster meetings on coordination matters and monitored the action plan status in accordance with the arrangements embodied in the strategic response plan for Myanmar. The Representation also implemented mechanisms to assess the cluster's performance, i.e., in terms of coordination, information management, monitoring, communication and advocacy, planning and accountability. OIOS assessed that the Representation's controls for discharging its responsibilities as lead coordinator for the merged cluster on CCCM/shelter/NFI were working effectively.

There was a need to put in place procedures for post-distribution reconciliations of non-food items

19. The UNHCR Manual on Commodity Distributions requires the Representation to put in place adequate arrangements for planning, monitoring and reporting of the distribution of NFIs. This includes: establishing criteria for the selection of beneficiaries and developing distribution plans; regular on-site distribution monitoring; post-distribution monitoring; updating the actual quantities distributed in an electronic system; and preparing reconciliation reports.

20. The Representation distributed 401,908 NFIs to IDPs consisting of blankets, tarpaulins, kitchen sets, plastic buckets, jerry cans, plastic mats and mosquito nets with a total value of \$4.2 million in 2013 and 2014. It established criteria for the selection of beneficiaries, developed distribution plans and distributed the items in accordance with these plans. It also provided on-site and post-distribution monitoring and recorded the quantities of NFIs issued from the UNHCR warehouse in the Managing for Systems, Resources and People (MSRP) system, the UNHCR enterprise resource planning system. However, a review of records related to distribution of 163,905 NFIs in Rakhine and the northern Rakhine State and records related to distribution of 177,401 NFIs in Kachin, with an aggregated value of \$3.3 million, indicated that the Representation did not accurately account for the NFI quantities distributed against the quantities issued from its warehouse. For example:

- The distribution lists in Rakhine indicated a total of 29,115 items, which was 81 (\$3,400) more than the 29,034 items shown on the UNHCR waybills (which indicate the quantities of items withdrawn from the warehouse).
- The distribution lists in Kachin reported a total of 4,326 items, which was 101 (\$4,240) more than the 4,225 items shown on the UNHCR waybills.
- One partner involved in the distribution activities could not account for the difference in the quantities of hygiene kits distributed against the relevant waybills. The distribution lists indicated a total of 808 hygiene kits received by beneficiaries which was 856 items (\$20,500) less than the 1,664 hygiene kits delivered for distribution from the warehouse.
- At another partner, the distribution lists indicated a total of 3,860 solar lanterns which was 1,350 items (\$40,500) less than the 5,210 solar lanterns delivered for distribution.

21. The above-mentioned shortcomings were due to lack of procedures for reconciliation of NFIs after each distribution. As a result, the Representation was not fully ensuring that the NFIs reached the intended beneficiaries and was not fully mitigating the risk of inaccurate accounting for the distribution of NFIs.

<p>(1) The UNHCR Representation in Myanmar should put in place procedures for reconciliation of non-food items distributed as per the quantities in the distribution lists against waybills.</p>

UNHCR accepted recommendation 1 and stated that the reconciliation monitoring mechanism had been developed. The Representation was in the process rolling it out to the field locations to initiate the NFI reconciliation for 2015. Recommendation 1 remains open pending receipt of documentary evidence of the implementation of systematic NFI post-distribution reconciliation procedures.

Control arrangements over management of shelter activities were working effectively

22. The UNHCR Handbook of Emergencies and UNHCR Sphere Standards on Shelters require the Representation to establish a shelter strategy, the criteria for the selection of beneficiaries, and a system for monitoring the quality of shelters constructed.

23. In 2013 and 2014, the Representation constructed and renovated 15,611 shelters valued at \$10.6 million. It also distributed 1,043 items of shelter materials and shelter toolkits valued at \$0.4 million. The Representation established shelter strategies for 2013 and 2014 and set the criteria for the selection of beneficiaries taking into consideration the requirements of Myanmar state and local authorities. It implemented weekly physical monitoring arrangements to ensure the quality of shelters constructed in line with UNHCR specifications. OIOS visited the 123 shelters constructed in That Kay Pyin and the 72 shelters constructed in Set Yone Su-1 and confirmed that they were completed and in a good state. OIOS concluded that the Representation's controls over management of its shelter activities were working effectively.

The Representation needed to strengthen supervision of the review of partners' procurement activities and narrative progress reports

24. The UNHCR Enhanced Framework for Implementing with Partners requires the Representation to implement a competitive selection process for its project partnerships and to develop a risk-based project monitoring plan that is implemented by a multi-functional monitoring team. The Representation is required to review the accounting systems and financial procedures used by partners and verify the expenditures reported by them. It should also conduct performance monitoring to assess the progress in project implementation and compare project performance against expenditures incurred. The Representation is further required to review procurement activities undertaken by partners with UNHCR funds to ensure they comply with agreed rules and procedures and provide value for money to UNHCR.

25. The Representation undertook the process of selecting and retaining partners in compliance with UNHCR requirements. In addition, it conducted 159 financial verifications for the 37 project partnership agreements, or an average of four per agreement, implemented by its 17 partners in 2013 and its 14 partners in 2014 despite the absence of a monitoring plan. A review of the financial verification reports indicated that the Representation had duly monitored that expenditures were charged to correct budget lines, budget line items were not over or underspent, and bank reconciliations were conducted by the partners. OIOS visited five partners to test the effectiveness of the Representation's financial verification controls and was able to confirm that the monitoring team had ensured that the partners maintained accounting systems to account for the receipt and disbursements of UNHCR funds, kept separate bank accounts for UNHCR funds and conducted regular bank reconciliations.

26. However, the Representation did not adequately monitor the procurement activities of the partners to ensure compliance with the applicable procurement rules and procedures. A review of eight procurement cases valued at \$1.2 million at the five partners visited indicated that in six cases the Representation did not adequately monitor the partners' controls over the receipt and handling of bids, i.e., the partners did not ensure that bids were received and listed by at least two staff members and that the actual date and time of the bids received was indicated on the bid envelopes. In five out of the eight

cases reviewed, the Representation did not adequately monitor the partners' arrangements for bid evaluations, as the partners did not establish clear evaluation criteria according to the specifications. In seven cases, the Representation did not ensure that controls were in place for the opening of bids, i.e., the partners' tender opening committee members did not sign and indicate the date and time on the opened sealed envelopes and did not sign on each page of the financial and technical bids. In four of the eight cases, the Representation did not ensure that controls were in place at the partners for undertaking separate financial and technical evaluations of bids.

27. In addition, while the Representation periodically conducted project performance monitoring during the life-cycle of each project, it did not adequately relate the results of its project monitoring against the project progress reported in the mid-year and year-end narrative reports of partners. It also did not compare the level of expenditures to the actual project progress. As a result, it did not identify unsubstantiated and inaccurate performance results reported by partners. For example, OIOS observed that one partner did not have documentary evidence to support two performance indicators it had reported to UNHCR. These included: "60 per cent progress on roles and responsibilities for camp managers and camp service providers have been defined, agreed and documented"; and "20 social/recreational events organized". One partner erroneously indicated "30" instead of "1" for the indicator on "number of speed boat engine overhauled". The 30 referred to another indicator, i.e., the number of maintenance services for boats.

28. The above shortcomings occurred because the Representation did not have appropriate supervisory arrangements in place to ensure that the monitoring team conducted systematic reviews of the partners' procurement activities and the progress in project performance. As a result, the Representation was not fully ensuring that partner project progress reports were reliable and that it was fully achieving value for money for procurement entrusted to partners.

(2) The UNHCR Representation in Myanmar should develop and implement an action plan to enhance supervisory controls over the monitoring of partners' procurement activities and verification of narrative performance reports submitted by partners.

UNHCR accepted recommendation 2 and stated that the Representation initiated the development of an action plan to implement the recommendation. Recommendation 2 remains open pending receipt of the action plan to strengthen monitoring and verification of partners' procurement activities and narrative progress reports and documentary evidence of the implementation of the action plan, including in terms of supervisory reviews.

C. Regulatory framework

There was a need to activate the Vendor Review Committee, prepare procurement plans and develop a plan for enhancing the technical competence of the members of the Local Committee on Contracts

29. The Representation is required to comply with the UNHCR procurement rules and procedures, which include: (a) establishing an effective vendor management system; (b) preparing an annual procurement plan according to identified needs; (c) initiating procurement activities in accordance with the procurement plan to facilitate transparent and competitive procurement; and (d) ensuring adequate oversight over procurement activities.

30. The Representation issued 593 purchase orders valued at \$14.4 million in 2013 and 2014. It established a Vendor Review Committee to maintain its vendor roster and a Local Committee on Contracts to review and approve procurement cases with values of \$20,000 and above. In 2013 and 2014,

the Vendor Review Committee did not hold any meetings. This resulted in an outdated vendor roster that limited the Representation's ability to find sufficient numbers of vendors to be invited for instances like acquisition of legal services. As a result, the Representation resorted to requesting a waiver of competitive bidding for lack of vendors. The existing roster of 993 vendors included 15 duplications of names and did not classify active/inactive vendors and the type of business that each vendor was associated with, as required by UNHCR procedures. The Representation registered vendors only upon their selection for a procurement case instead of conducting a formal evaluation of expression of interest for inclusion in the roster. It evaluated each vendor's performance to support the final payment to the vendor but did not use such an evaluation to update the roster.

31. The Representation also did not prepare procurement plans for 2013 and 2014. Hence, it had no benchmark on what, when and how its procurement activities would be conducted, resulting in unplanned procurement and overstocking of NFIs. For example, it procured 13 previously unplanned vehicles valued at \$272,280 in January 2014. It also ordered NFIs valued at \$2.2 million in 2013, including 4,350 family tents when it already had a contingency stock of 1,881 family tents in its warehouse. As of June 2015, the balance of family tents reflected 2,450 items valued at \$1.2 million, an indication of overstocking which the Representation acknowledged although it had not established the required stock level for the tents.

32. The Local Committee on Contracts deliberated on 108 cases during 36 meetings in 2013 and 2014. OIOS reviewed 15 purchase orders and observed that the Committee did not fully ensure that procurement activities complied with UNHCR procurement rules and procedures. For instance, in four cases the Representation invited less than the required number of vendors for the bid. The Representation also did not submit three waivers of competitive bidding to the appropriate Committee or authority for approval. These three cases included procurement of fuel/petrol for \$185,000, which did not go through the Headquarters Committee on Contracts as required because the contract value exceeded \$150,000, and the acquisition of a pre-fabricated warehouse for \$91,376 and the completion of construction works for phase II of a shelter project for \$52,724, neither of which went through the UNHCR Controller for approval even though the contract value in both cases exceeded the threshold of \$50,000 which required the Controller's approval. Each of these seven cases was submitted to and reviewed by the Local Committee on Contracts.

33. The above shortcomings resulted as the Representation did not adequately prioritize vendor management and procurement planning, and did not ensure that the members of the Local Committee on Contracts had the required technical competence to effectively review procurement cases submitted to them. As a result, there was a risk that the Representation was not fully obtaining value for money from its procurement activities.

(3) The UNHCR Representation in Myanmar should: (i) activate the Vendor Review Committee to oversee the completion of the review of the vendor roster; (ii) establish a procurement plan for 2016 and future years; and (iii) develop a training plan for enhancing the technical competence of the members of the Local Committee on Contracts.

UNHCR accepted recommendation 3 and stated that (i) the Vendor Review Committee had been reactivated and would meet to complete the review of the vendor roster; (ii) the procurement plan for 2016 was being developed as part of the 2016 Detailed Planning exercise; and (iii) a training plan was being developed. The training was due to take place during the first quarter of 2016 when new members of the Local Committee on Contracts would have been identified. Recommendation 3 remains open pending receipt of documentary evidence of the: (i) completion of the review of the vendor roster; (ii) preparation of the 2016 procurement plan; and (iii) development of the training plan for enhancing the technical competence of the members of the Local Committee on Contracts.

Mechanisms needed to be put in place for the regular monitoring of the vehicle fleet

34. The UNHCR Policy and Procedures for Property, Plant and Equipment (PPE) and the UNHCR Manual require the Representation to put in place adequate controls, including in respect of supervision and oversight, to ensure that all assets are accurately recorded following an annual physical verification, and that the use of the vehicle fleet, including in terms of fuel consumption, is efficient.

35. As at 31 December 2014, the Representation managed 93 PPE assets, including 43 vehicles, valued at \$1.0 million. It regularly updated the asset register for the acquisitions or disposals of PPE. It also conducted physical verifications of PPE in 2013 and 2014 and submitted the related reports to the Supply Management and Logistics Service at UNHCR headquarters. OIOS reviewed 27 PPE items and confirmed the existence and accuracy of the related details in MRSP. The Representation established a Local Asset Management Board that met seven times in 2013 and 2014 to provide oversight over the management and disposal of assets. However, OIOS observed the following control weaknesses particularly on the management of vehicles representing the largest asset group as measured by financial value:

- The Representation's drivers did not consistently complete vehicle logbooks with details of quantity of fuel withdrawn at the various pumps, dates of repairs and maintenance and nature of maintenance done on the vehicles.
- The Local Asset Management Board approved the disposal of 13 used vehicles based only on the period of vehicle usage and not on sufficient information on the status of the vehicles.
- The Representation outsourced the maintenance of 7 vehicles (in addition to 11 boats and 8 generators) to a partner for total project expenditure of \$114,920 in 2013 and 2014. However, the Representation did not have terms of reference or standard operating procedures with the partner for the management of the workshop, as required by the agreement with the partner. It also had no mechanism to monitor the partner's management of spare parts. The partner maintained a stockpile of spare parts, a significant portion of which had not been used for over a year.
- The Representation provided for a depreciation expense of \$11,170 to 8 of its 13 newly acquired but unused vehicles, contrary to the accounting policy under the International Public Sector Accounting Standards which requires depreciation to only be charged for assets actually used in operations.

36. The above shortcomings were attributed to lack of formalized mechanisms for regular monitoring of the use of the Representation's vehicle fleet. As a result, the Representation was not fully obtaining best value for money from the usage of its fleet and its depreciation expense was overstated by \$11,170.

(4) The UNHCR Representation in Myanmar should put in place mechanisms for regular monitoring of its fleet in terms of maintenance of vehicle logbooks, disposal of vehicles, management of spare parts, and correct accounting for the use of vehicles.

UNHCR accepted recommendation 4 and stated that the Representation initiated the development of a monitoring plan. Recommendation 4 remains open pending receipt of documentary evidence of regular monitoring of the Representation's fleet in terms of maintenance of vehicle logbooks, disposal of vehicles, management of spare parts, and correct accounting for the use of vehicles.

Controls related to delegation of financial authority, disbursements, cash management, bank reconciliations, follow-up on receivables and monthly financial reporting were operating effectively

37. The UNHCR Financial Regulations and Rules as well as its various policies and procedures over financial tracking and reporting require the Representation to: (i) design, implement and maintain delegation of authority to mitigate the risk of incompatible functions; (ii) establish, implement and monitor adequate controls over the management of petty cash and bank accounts; (iii) monitor disbursements of administrative expenditures; (iv) monitor and report receivables to UNHCR headquarters; and (v) submit accurate monthly reports to headquarters.

38. The Representation prepared and updated the delegation of authority for designated staff acting as preparers, reviewers and approvers. It implemented controls to ensure that administrative expenditures were supported by payment vouchers and documentary evidence. It also complied with rules on petty cash management and cash in bank and conducted regular bank reconciliations. The Representation further ensured that receivables were analyzed, monitored and recovered in a timely manner, and systematically submitted monthly and year-end financial reports to headquarters. OIOS concluded that the Representation's controls over delegation of financial authority, disbursements, cash management, bank reconciliations, follow-up on receivables and monthly financial reporting were operating effectively.

IV. ACKNOWLEDGEMENT

39. 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.

(Signed) David Kanja
Assistant Secretary-General, Acting Head
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Myanmar for the Office of the United Nations High Commissioner for Refugees

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	The UNHCR Representation in Myanmar should put in place procedures for reconciliation of non-food items distributed as per the quantities in the distribution lists against waybills.	Important	O	Submission to OIOS of documentary evidence of the implementation of systematic NFI post-distribution reconciliation procedures.	31 January 2016
2	The UNHCR Representation in Myanmar should develop and implement an action plan to enhance supervisory controls over the monitoring of partners' procurement activities and verification of narrative performance reports submitted by partners.	Important	O	Submission to OIOS of the action plan to strengthen monitoring and verification of partners' procurement activities and narrative progress reports and documentary evidence of the implementation of the action plan, including in terms of supervisory reviews	31 January 2016
3	The UNHCR Representation in Myanmar should: (i) activate the Vendor Review Committee to oversee the completion of the review of the vendor roster; (ii) establish a procurement plan for 2016 and future years; and (iii) develop a training plan for enhancing the technical competence of the members of the Local Committee on Contracts.	Important	O	Submission to OIOS of documentary evidence of the: (i) completion of the review of the vendor roster; (ii) preparation of the 2016 procurement plan; and (iii) development of the training plan for enhancing the technical competence of the members of the Local Committee on Contracts	31 March 2016
4	The UNHCR Representation in Myanmar should put in place mechanisms for regular monitoring of its fleet in terms of maintenance of vehicle logbooks, disposal of vehicles, management of spare parts, and correct accounting for the use of vehicles.	Important	O	Submission to OIOS of documentary evidence of regular monitoring of the Representation's fleet in terms of maintenance of vehicle logbooks, disposal of vehicles, management of spare parts, and correct accounting for the use of vehicles	31 January 2016

² Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

³ Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁴ C = closed, O = open

⁵ Date provided by UNHCR in response to recommendations.

APPENDIX I

Management Response

Management Response

Audit of the operations in Myanmar for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments (update as of November 2015)
1	The UNHCR Representation in Myanmar should put in place procedures for reconciliation of non-food items distributed as per the quantities in the distribution lists against waybills.	Important	Yes	Programme Officers and Assoc. Supply Officer	End of January 2016	The reconciliation monitoring mechanism has been developed. The Representation is in the process rolling it out to the field locations, to initiate the NFI reconciliation for 2015.
2	The UNHCR Representation in Myanmar should develop and implement an action plan to enhance supervisory arrangements over the monitoring of partners' procurement activities and verification of narrative performance reports submitted by partners.	Important	Yes	Programme Officers and Assoc. Supply Officer	End of January 2016	The Representation has initiated the development of an action plan.
3	The UNHCR Representation in Myanmar should: (i) activate the Vendor Review Committee to oversee the completion of the review of the vendor roster; (ii) establish a procurement plan for 2016 and future years; and (iii) develop a training plan for enhancing the technical competence of the members of the Local Committee on Contracts.	Important	Yes	Assoc. Supply Officer	(i) and (ii) - end of January 2016 (iii) - training will take place during the first quarter of 2016	(i) The Vendor Review Committee (VRC) has been reactivated and will meet to complete the review of the vendor roster; (ii) The procurement plan for 2016 is being developed as part of the 2016 Detailed Planning exercise; (iii) A training plan is being developed. The training is due to take place during the first quarter of 2016 when new members of the Local Committee on Contracts have been identified.

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

Audit of the operations in Myanmar for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments (update as of November 2015)
4	The UNHCR Representation in Myanmar should put in place mechanisms for regular monitoring of its fleet in terms of maintenance of vehicle logbooks, disposal of vehicles, management of spare parts, and correct accounting for the use of vehicles.	Important	Yes	Assist. HR Officer (OIC for Admin) and Admin Associate Admin, programme and supply focal points in the field	End of January 2016	The Representation has initiated the development of a monitoring plan.