



INTERNAL AUDIT DIVISION

REPORT 2016/031

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

Overall results relating to the effective
management of the operations in Libya were
initially assessed as unsatisfactory.
Implementation of one critical
recommendation remains in progress

FINAL OVERALL RATING: UNSATISFACTORY

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CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. OBJECTIVE AND SCOPE	1-2
III. AUDIT RESULTS	2-3
A. Strategic planning	3-5
B. Project management	5-7
C. Regulatory framework	7-9
IV. ACKNOWLEDGEMENT	9
ANNEX I Status of audit recommendations	
APPENDIX I Management response	

AUDIT REPORT

Audit of the operations in Libya 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 Libya 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 Mission in Libya (hereinafter referred to as the Mission) was established in 1991. In July 2014, all international staff were evacuated to Tunis after armed conflict broke out in several locations in Libya, including Tripoli, where the Mission had its main office, and Benghazi, where the Mission had a Sub-Office. As of June 2015, the Mission had 27,964 registered refugees and 8,904 asylum seekers. Approximately 50 per cent of these refugees and asylum seekers originated from Syria, with Palestine, Eritrea, Iraq, Somalia and Sudan accounting for the remaining 50 per cent. Following the escalation in fighting in Libya, the estimated number of Internally Displaced Persons (IDPs) increased from 40,000 at the start of 2014 to 435,000 as of September 2015.
4. The Mission assessed its overall funding needs to cover staff, administration and operational costs as \$18.4 million for 2014 and \$19.2 million for 2015, but the budget made available to the Mission was only \$8.9 million for 2014 and \$9.4 million for 2015. As a result of the budget shortfall and the difficult security situation, fewer IDPs and refugees and asylum seekers were receiving assistance and protection. The Mission had total expenditure of \$7.3 million in 2014. In 2015, it had spent \$5.2 million as of 30 September. The Mission, headed by a Head of Mission at the P-5 level, had a total of five international staff as well as 40 posts for national staff. It worked with two international partners in 2014 and three in 2015.
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 Libya**.
7. The audit was included in the OIOS 2015 risk-based internal audit work plan for UNHCR due to risks associated with remotely managing the operations and addressing protection concerns for an increasing number of people affected by armed conflict and terrorism.
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 and monitoring** - controls that provide reasonable assurance that the Mission's strategic plans for its programme and protection activities are developed in alignment with the UNHCR Global Strategic Priorities and effectively monitored.

(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 Mission's project activities.

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

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

10. OIOS conducted the audit from September to December 2015. The audit covered the period from 1 January 2014 to 30 September 2015. The audit team visited Tunis and contacted national staff in Tripoli and Benghazi over video conference and phone.

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, analytical reviews and tests of controls, 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 **unsatisfactory**¹ in providing reasonable assurance regarding the **effective management of UNHCR operations in Libya**. OIOS made five recommendations to address the issues identified.

13. The Mission prepared its Operations Plans in line with UNHCR requirements and had adequate arrangements in place for selection of partners and preparation of Project Partnership Agreements. It also implemented effective controls over the management of funds directly administered by the Mission. However, the Mission needed to strengthen: (a) controls over reporting against its performance indicators and revise its protection and operations strategy to align it with the operating environment; and (b) its response to risks associated with remotely monitoring projects implemented by partners. In addition, the Mission needed to: (a) ensure that the assignment of project responsibilities from partners to third parties is in compliance with UNHCR policies; (b) strengthen controls over procurement and vendor management;

14. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **unsatisfactory** as implementation of one critical recommendation remains in progress.

¹ A rating of "**unsatisfactory**" means that one or more critical and/or pervasive important deficiencies exist 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.

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 Libya	(a) Strategic planning and monitoring	Unsatisfactory	Unsatisfactory	Unsatisfactory	Unsatisfactory
	(b) Project management	Unsatisfactory	Unsatisfactory	Unsatisfactory	Unsatisfactory
	(c) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: UNSATISFACTORY					

A. Strategic planning and monitoring

The Mission satisfactorily prepared its Operations Plans

15. The UNHCR Manual requires the Mission to prepare an annual Operations Plan aligned with the UNHCR Global Strategic Priorities, set goals and objectives for the year and define related outputs and activities, and allocate the required budgets. The Mission should use registration data and conduct both participatory and comprehensive needs assessments, while considering age and gender diversity issues, in developing the Operations Plan.

16. The Mission prepared Operations Plans for 2014 and 2015 that were aligned with the Global Strategic Priorities. These Plans included goals, objectives, outputs and activities with allocated budgets which were consistent with the assumptions made by the Mission about the operational context in Libya at the time of planning. The Mission, however, did not conduct a formal participatory needs assessment or an age, gender and diversity analysis. To compensate for this, the Mission: (a) opened nine telephone hotlines for persons of concern; (b) held panel meetings with partners to discuss beneficiary needs; (c) conducted detention monitoring visits; and (d) with its partners, interacted with persons of concern to ensure their needs were reflected in its programme of work. Due to the security environment, in July 2014, the Mission suspended formal registration activities and therefore, had to use informal registration data collected by partners in its planning.

17. Despite the above constraints, OIOS concluded that the Mission sufficiently incorporated the main requirement for strategic planning into its Operations Plans for 2014 and 2015.

The Mission initiated action to strengthen its emergency preparedness

18. The UNHCR Policy on Preparedness for Refugee Emergencies requires the Mission to: (a) evaluate the risk of a refugee emergency developing and request emergency activation if necessary; and (b) undertake Minimum Preparedness Actions for an emergency and assess whether Advanced Preparedness Actions, including contingency planning, are required.

19. The Mission regularly monitored activities to determine whether an emergency activation was needed. However, it did not complete the required checklist for Minimum Preparedness Actions or undertake a formal evaluation of the risk of a refugee emergency developing. As a result, the Mission was not adequately prepared for the July 2014 crisis that resulted in the evacuation of international staff.

20. During the audit, the Mission prepared checklists for both Minimum Preparedness Actions and Advanced Preparedness Actions and completed or initiated a number of the required actions, including preparing a multi-agency contingency plan considering various different emergency scenarios for Libya. In view of the action taken, no recommendation was made.

The Mission needed to significantly strengthen controls over reporting against its performance indicators and revise its protection and operations strategy to align it with the operating environment

21. The UNHCR Global Management Accountability Framework requires the Mission to monitor and assess its performance and impact through the UNHCR results-based management system, FOCUS, and report on progress towards achieving its performance indicators at least twice a year.

22. The Mission planned and prioritized its 2014 activities on the assumption that it would be fully operational in Libya and established 104 key indicators in its Operations Plan. Due to the deterioration in security and evacuation of international staff, the Mission did not report any mid-year results for 2014 and did not revise its initial targets. For 2014 year-end reporting, only 11 targets of the initial 104 key performance indicators were met.

23. In planning for 2015, the Mission's protection and operations strategy assumed that international staff would return to Libya; however, by mid-year the security situation did not allow for this. The Mission did not revise its protection and operations strategy or performance and impact targets to reflect this. Therefore, of the 102 key indicators established for 2015, only 67 were reported on at mid-year and for the remaining 35 indicators no data was available. A review of several key areas where performance data was collected in FOCUS identified that the performance reported at the mid-year was significantly below year-end targets and at risk of not being achieved, as follows:

- Only 435 and 50 non-Syrian refugees and asylum seekers received cash grants and core relief items, respectively, against the target of 3,000;
- Only 928 of the planned 5,000 Syrian refugees and asylum seekers received cash grants;
- Only 50 Syrian refugees and asylum seekers received core relief items against the target of 3,000;
- Six of the planned 8,000 persons of concern had been registered; and
- None of the targeted 8,000 persons of concern received identity documents.

24. The above resulted because the Mission did not implement adequate processes to: re-align its protection and operations strategy; collect accurate and timely performance data; and revise performance targets to make them more realistic, taking into account the operating environment in Libya and the reduced presence of its international staff.

25. The lack of appropriate strategy and performance targets undermined the Mission's ability to identify areas where performance needed improvement and to take corrective action in a timely manner. The situation also increased reputational risk to UNHCR as donors have access to the Mission's performance data recorded in FOCUS. In this case, FOCUS reported that UNHCR was failing to meet its established objectives in Libya.

(1) The UNHCR Mission in Libya should: (a) develop a protection and operations strategy, including performance targets that take into account the most likely operating environment as well as alternative targets based on one or more other possible operational scenarios; (b) implement procedures to accurately report on its performance indicators in FOCUS; and (c) at mid-year, assess the relevance of the strategy in place and if necessary revise the strategy and the related targets and indicators.

UNHCR accepted recommendation 1 and stated that: (a) the Mission had developed targets for the 2016 Operations Plan for Libya in line with the protection and operations strategy based on the status quo scenario; (b) in order to improve the monitoring and reporting of the implemented activities, the best practices of UNHCR on remote management had been adopted for Libya; and (c) the Mission would assess the relevance of the strategy in place and revise the strategy and the related targets and indicators as of May 2016. Recommendation 1 remains open pending submission of evidence that the 2016 mid-year indicators have been collected and reported and that the Mission has assessed the relevance of the 2016 strategy and revised it if necessary.

B. Project management

The Mission had adequate arrangements in place for selection of partners and preparation of Project Partnership Agreements

26. The UNHCR Enhanced Framework for Implementing with Partners requires the Mission to select and/or retain the best-fit partners for its projects following an objective and transparent selection process and enter into appropriate project agreements with the selected partners in a timely manner.

27. The Mission established an Implementing Partnership Management Committee and appropriately selected partners for the 2014 implementation period. For 2015, due to the security situation, the Mission was authorized to waive the normal selection and retention process. It entered into five Project Partnership Agreements with three international partners. The agreements were signed in a timely manner. OIOS concluded that the Mission had adequate arrangements in place for selection of partners and preparation of Project Partnership Agreements.

There was a critical need to strengthen the Mission's response to risks associated with having to monitor projects implemented by partners remotely

28. The UNHCR Enhanced Framework for Implementing with Partners requires the Mission to establish and deliver a performance and financial monitoring plan to verify project activities implemented by partners. Given the high-risk security environments in Libya and lack of access to many locations by UNHCR staff, the Mission is required to use UNHCR guidance and best practices on remote management of partners, including delivering protection and assistance to the most vulnerable persons of concern through national staff and non-governmental organizations (NGOs).

29. The security situation prevented the Mission from verifying the final financial reports of partners for 2014. However, a certain level of reliance could be placed on the work of the external auditors as they conducted field visits in Libya and issued audit reports for all 2014 projects. In 2015, the Mission undertook remote financial and performance verification for its two refugee related projects, and at the time of the audit, was undertaking the financial verification for three IDP projects that ended in July 2015.

30. Two of the three IDP projects related to non-food item (NFI) distributions. The Mission; however was not monitoring NFI distributions due to security and did not strengthen its remote

management mechanisms, such as obtaining photographs tagged with geospatial, time and date data to mitigate the risks to project implementation in Libya. A review of projects indicated weaknesses related to distribution of NFIs by partners. For example, the Mission: (a) only established selection criteria after the distribution of NFIs had started; (b) did not require partners to undertake pre-distribution checks before releasing NFIs as per the Project Partnership Agreements; and (c) did not reconcile NFIs reported as distributed with NFIs issued from the warehouse.

31. Additionally, for distributing NFIs in Tripoli and the south of Libya, valued at \$0.6 million, one partner delegated this work to a local NGO. The partner signed a service agreement with the NGO, which provided for \$105,384 for administrative costs, to undertake NFI distributions. The agreement did not require the NGO to submit any documentation on the use of these funds, and the Mission had not reviewed the service agreement or required a detailed breakdown of the administrative costs. The NGO also did not provide to the partner (or UNHCR) signed distribution sheets evidencing that the intended beneficiaries had received the NFIs. The Mission, without independently conducting any financial and performance monitoring visits to this partner, issued a press release, based on the project performance report submitted by the partner, communicating that UNHCR NFIs had been distributed in various locations.

32. The Mission's press release was challenged by a journalist who had been to one of the sites listed and claimed that no aid had been provided. The Mission also received complaints from local communities claiming not to have received the reported NFIs. The Mission subsequently removed reference to the location visited by the journalist in the press release and requested the partner to remove reference to this location in its project performance report. At the time of the audit, however, both the partner report and the press release still mentioned other distribution sites where the Mission had received complaints that no NFIs were distributed. In response to the audit, the Mission updated the press release to remove reference to all specific locations of NFI distributions.

33. The above resulted as the Mission had not: (a) adequately identified, analyzed and responded to the risks associated with remotely managing the work of its partners, particularly in monitoring NFI distributions; and (b) implemented adequate risk mitigating measures due to the absence of its staff on the ground by, for example, applying UNHCR best practice guidance on remote monitoring of NFI distributions.

(2) The UNHCR Mission in Libya should identify all key risks related to the remote management of partners and monitoring of non-food item distributions, analyze and evaluate these risks, and develop and implement a plan to respond to these risks.

UNHCR accepted recommendation 2 and stated that the risk analysis of the Libya operation had been completed and the risk register updated to reflect the results of the risk review. The risks related to the remote monitoring of NFI distributions had been analysed with mitigating treatment designed. Based on the action taken and documentation provided by UNHCR, recommendation 2 has been closed.

(3) The UNHCR Mission in Libya should introduce procedures to ensure that the assignment of project responsibilities from its partners to third parties is in accordance with the terms of the Project Partnership Agreement and allows for proper accountability in the use of project funds.

UNHCR accepted recommendation 3 and stated that the Mission had put controls in place to ensure proper accountability and establish oversight of the project implementation by the partner. Based on the action taken and documentation provided by UNHCR, recommendation 3 has been closed.

Action was taken to formalize mechanisms for remote management of national staff based in Libya

34. The Mission is required to communicate regularly with staff in the field to allow for a coordinated and effective response to the needs of persons of concern. The management team of the Mission is required to establish controls to remotely monitor compliance by staff based in Libya with standard operating procedures (SOPs) and other instructions regarding provision of assistance and protection to persons of concern, as well as security related matters.

35. The Mission established protocols for communication between staff in Tunis, Tripoli and Benghazi in its Business Continuity Plan. Officers-in-charge and alternates were designated for the Tripoli and Benghazi offices, with responsibility for communicating on a daily basis with other national staff, and maintaining direct contact with their international line manager in Tunis. Staff used various methods of communication, including video, phone and e-mail. To mitigate the risks posed by frequent electricity cuts in Libya, impacting communication connections, the Mission purchased mobile Wi-Fi devices for key national staff. The Mission prepared comprehensive weekly situation reports, which were sent to UNHCR headquarters and forwarded to all staff of the Mission.

36. The Mission was also revising its SOPs and other instructions on cash assistance, registration, sea rescue interventions, detention centre visits, and the provision of UNHCR hotlines, to explicitly identify the role of international staff in Tunis and how they would remotely manage compliance with the prescribed procedures. Given the action taken by the Mission, OIOS did not raise a recommendation in this regard.

C. Regulatory framework

Controls over procurement and vendor management needed to be strengthened

37. UNHCR procurement rules and procedures require the Mission to: (a) prepare an annual procurement plan according to identified needs; (b) initiate procurement activities in accordance with the procurement plan; (c) establish an effective vendor management system; and (d) ensure all contracts entered into with a single vendor equal to or greater than \$20,000 are reviewed and approved by the Local Committee on Contracts (LCC) or the Committee on Contracts at UNHCR headquarters based on established thresholds.

38. The Mission procured approximately \$2.0 million worth of goods and services between January 2014 and September 2015. It established an annual procurement plan and initiated procurement activities in accordance with this plan. The Mission also established an LCC which was meeting regularly in Tunis, with national staff Committee members in Libya attending by telephone. Due to the security situation, in 2014 and 2015, the Mission: (a) was exceptionally authorized by the Committee on Contracts at headquarters to waive procurement procedures to lease office and guest house premises valued at \$417,000; (b) limited its local procurement activities; and (c) procured NFIs valued at \$0.9 million through the Supply Management and Logistics Service in UNHCR headquarters. OIOS concluded that the Mission had taken appropriate action, given the operational context, to manage procurement activities in the above-mentioned cases.

39. The Mission created a Vendor Review Committee; however, at the time of the audit it had not held any meetings. A review of the vendor database showed that 62 per cent of the registered vendors were inactive and there were 10 duplicate entries. A review of 17 procurement cases valued at \$1.0 million indicated that for 7 cases (2 before and 5 after the evacuation in July 2014) valued at \$369,000, the bidding documents and the required LCC approvals were not available. The Mission explained that

some records were kept in different locations in Tripoli and the staff in Tripoli could not access them due to movement restrictions. In addition, the Mission did not extend the service contract for hiring of security services, valued at \$124,000 in 2014, although the security company continued to provide its services in 2015.

40. The above resulted, as the Mission did not: (a) dedicate sufficient attention to monitoring contracts; and (b) adequately train its national staff on procurement and vendor management, including on how to implement a centralized filing system for all LCC approvals. As a result, the Mission could not ensure that all procurements complied with UNHCR rules and procedures.

(4) The UNHCR Mission in Libya should develop and implement an action plan to: (a) review its vendor database; and (b) adequately train its national supply staff on procurement and vendor management.

UNHCR accepted recommendation 4 and stated that: (a) the Mission had reviewed its vendor database and streamlined the registration of new vendors; and (b) the national supply staff of the Mission completed the procurement training and received daily coaching on procurement and vendor management. Based on the action taken and documentation provided by UNHCR, recommendation 4 has been closed.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Controls over management of funds directly administered by the Mission were operating as intended

46. The UNHCR Manual and the UNHCR Financial Internal Control Framework require the Mission to ensure: (a) payments are authorized and supported; appropriate segregation of financial duties are in place; (b) petty cash and operational advances are properly accounted for; (c) month-end closure activities are conducted and forwarded to headquarters; and (d) administrative expenditures are adequately budgeted and monitored. The Mission was required to implement appropriate compensating controls to mitigate financial risks posed by remotely managing operations.

47. A review of a sample of 45 vouchers worth \$2.0 million out of the 1,945 vouchers valued at \$9.1 million showed that all of these vouchers were reviewed and adequately supported with valid documentation. The Mission had implemented adequate segregated duties, and authority was had been delegated to appropriate levels in the field in Libya to support effective operations. A review of operational advances paid noted that adequate procedures were in place to ensure previous advances were cleared prior to the payment of additional advances. The Mission also: (a) conducted periodic cash counts and the petty cash ledger was well maintained; (b) monitored its administrative expenditures; (c) submitted month-end packages with bank reconciliations to headquarters; and (d) monitored and tracked open items (receivables) on an ongoing basis.

48. Despite the remote management situation, the Mission was able to maintain appropriate financial controls through e-mail communications and limited travel of national staff. OIOS concluded that controls over management of funds directly administered by the Mission were operating as intended.

IV. ACKNOWLEDGEMENT

49. 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) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Libya 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 Mission in Libya should: (a) develop a protection and operations strategy, including performance targets that take into account the most likely operating environment as well as alternative targets based on one or more other possible operational scenarios; (b) implement procedures to accurately report on its performance indicators in FOCUS; and (c) at mid-year, assess the relevance of the strategy in place and if necessary revise the strategy and the related targets and indicators.	Critical	O	Submission to OIOS of evidence that the 2016 mid-year indicators have been collected and reported and that the Mission has assessed the relevance of the 2016 strategy and revised it if necessary.	31 May 2016
2	The UNHCR Mission in Libya should identify all key risks related to the remote management of partners and monitoring of non-food item distributions, analyze and evaluate these risks, and develop and implement a plan to respond to these risks.	Critical	C	Action completed.	Implemented
3	The UNHCR Mission in Libya should introduce procedures to ensure that the assignment of project responsibilities from its partners to third parties is in accordance with the terms of the Project Partnership Agreement and allows for proper accountability in the use of project funds.	Important	C	Action completed.	Implemented
4	The UNHCR Mission in Libya should develop and implement an action plan to: (a) review its vendor database; and (b) adequately train its national supply staff on procurement and vendor management.	Important	C	Action completed.	Implemented

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.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Libya 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	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

APPENDIX I

Management Response

Management Response

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

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Mission in Libya should: (a) develop a protection and operations strategy, including performance targets that take into account the most likely operating environment as well as alternative targets based on one or more other possible operational scenarios; (b) implement procedures to accurately report on its performance indicators in FOCUS; and (c) at mid-year, assess the relevance of strategy in place and if necessary revise the strategy and the related targets and indicators.	Critical	Yes	Snr. Protection Officer	a) completed b) completed c) May 2016	a) The Mission has developed targets for the 2016 operations plan for Libya in line with the protection and operations strategy based on the status quo scenario. b) In order to improve the monitoring and reporting of the implemented activities, the best practices of UNHCR on remote management have been adopted. c) The Operation will assess the relevance of strategy in place and revise the strategy and the related targets and indicators as of May 2016.
2	The UNHCR Mission in Libya should identify all key risks related to the remote management of partners and monitoring of non-food item distributions, analyze and evaluate these risks, and develop and implement a plan to respond to these risks.	Critical	Yes	Snr. Programme Officer	Completed	The risk analysis of the Libya operation has been completed and the risk register updated to reflect the results of the risk review. The risks related to the remote monitoring of the non-food item distribution have been analysed with mitigating treatment designed.

⁶ 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.

⁷ 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 Libya for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3	The UNHCR Mission in Libya should introduce procedures to ensure that the assignment of project responsibilities from its partners to third parties is in accordance with the terms of the Project Partnership Agreement and allows for proper accountability in the use of project funds.	Important	Yes	Snr.Programme Officer	Completed	In order to ensure proper accountability and establish oversight of the project implementation by the partner, the Mission has put in place controls as recommended.
4	The UNHCR Mission in Libya should develop and implement an action plan to: (a) review its vendor database; and (b) adequately train its national supply staff on procurement and vendor management.	Important	Yes	Associate Admin Officer	Completed	a) The Mission has reviewed its vendor database and streamlined the registration of new vendors. b) The national supply staff receives daily coaching on procurement and vendor management.

