



## INTERNAL AUDIT DIVISION

### REPORT 2016/095

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

Overall results relating to the effective  
management of the regional operations in  
Italy were initially assessed as partially  
satisfactory. Management has satisfactorily  
implemented the audit recommendations

FINAL OVERALL RATING: SATISFACTORY

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# CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. OBJECTIVE AND SCOPE	2
III. AUDIT RESULTS	2-8
A. Strategic planning and monitoring	3-5
B. Project management	5-7
C. Regulatory framework	7-8
IV. ACKNOWLEDGEMENT	8
ANNEX I      Status of audit recommendations	
APPENDIX I   Management response	

# AUDIT REPORT

## Audit of the regional operations in Italy 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 regional operations in Italy 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 regionalization process conducted in 2007 resulted in the operations in Greece, Albania, Malta, Cyprus and Portugal coming under the responsibility of the UNHCR Country Office for Italy in Rome, which was originally established in 1952. The office formally became the Regional Representation for Southern Europe (hereinafter referred to as 'the Regional Representation'). The regional operations covered by the Regional Representation currently comprise five countries, namely Italy, Malta, Cyprus, Spain and Portugal, with a permanent UNHCR presence in all these countries except Portugal. The Regional Representation also has geographical coverage over San Marino, the Holy See and Andorra. Until 31 August 2015, Greece was also under the coverage of the Regional Representation. However, Greece faced an unprecedented emergency situation in 2015 as the number of arrivals of persons of concern significantly increased, reaching 50,000 a month. Therefore, UNHCR declared a level 2 emergency in Greece on 30 June 2015 and initiated structural changes to address the emergency. As a result, from September 2015, the Representation in Greece started reporting directly to the Director of the Bureau for Europe and became a stand-alone operation as of 1 January 2016. Since January 2015, Albania has also no longer been under the coverage of the Regional Representation.

4. Italy received some 170,000 persons of concern who arrived by sea in 2014 and 153,842 persons who arrived in 2015, whereas Greece received 43,518 persons in 2014 and 856,723 in 2015. As a result, the number of asylum applications increased significantly in the region in 2015, putting additional pressure on the asylum systems. The key regional strategic priorities of the Regional Representation for 2015 were: (i) improving access to the territory and asylum procedures; (ii) improving reception conditions; (iii) limiting detention of asylum seekers; (iv) pursuing advocacy for protection and solutions for the persons of concern; and (v) providing technical and operational support to the Governments in the region.

5. The Regional Representation was headed by a Regional Representative at the D-1 level. It had 7 international staff as well as 40 posts for national staff. In Malta, there was one international staff member and nine posts for national staff. In Cyprus, there was one international staff and seven national staff. The office in Spain consisted of one international staff member and 12 national staff. During 2014, the Regional Representation had expenditure of \$20.0 million. Due to the emergency in Greece, its initial operating level budget for 2015 increased from \$16.6 million to \$34.0 million by 30 September 2015. In 2015, until 30 September, the Regional Representation had expenditure of \$15.3 million. The Regional Representation worked with 19 partners in 2014 and 18 in 2015. The total expenditure of the partners was \$8.9 million in 2014 and \$13.1 million in 2015.

6. Comments provided by UNHCR are incorporated in italics.

## II. OBJECTIVE AND SCOPE

7. 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 regional operations in Italy**.

8. The audit was included in the OIOS 2016 risk-based internal audit work plan for UNHCR due to risks associated with the growth and complexity of the regional operations as a result of the increasing number of persons of concern arriving at the borders of southern Europe.

9. The key controls tested for the audit were: (a) strategic planning and monitoring; (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 Regional Representation's strategic plans for its programme and protection activities are developed in alignment with the UNHCR global strategic priorities and in accordance with established planning procedures and guidelines, and are 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 Regional Representation's project activities.

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

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

11. OIOS conducted the audit from February to April 2016. The audit covered the period from 1 January 2014 to 30 September 2015. During the audit, OIOS visited two offices covered by the Regional Representation: Rome in Italy, and Nicosia in Cyprus. In addition, OIOS visited the reception facilities in the south of Italy.

12. 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

13. The UNHCR governance, risk management and control processes examined were initially assessed as **partially satisfactory**<sup>1</sup> in providing reasonable assurance regarding the **effective management of UNHCR regional operations in Italy**. OIOS made three recommendations to address issues identified.

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<sup>1</sup> 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.

14. The Regional Representation had adequate controls in place for: (a) the annual planning process, regional oversight and support to countries in the region, emergency preparedness, and resource mobilization; (b) the support to adoption of international standards on refugee status determination (RSD) in Italy, prioritization of integration issues across the region, and support to the new relocation approach in Italy. In addition, controls over the funds directly administered by the Regional Representation were operating as intended. However, the Regional Representation needed to: (i) strengthen controls over the implementation and monitoring of the regional protection strategy; (ii) provide guidance to partners and country operations in the region on uniform assessment and reporting of performance indicators; and (iii) review and clean up the vendor database and put in place arrangements to improve controls and oversight mechanisms over compliance with procurement rules and procedures.

15. The initial overall rating was based on the assessment of key controls presented in Table 1. The final overall rating is **satisfactory**<sup>2</sup> as all three recommendations have been implemented satisfactorily.

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 regional operations in Italy	(a) Strategic planning and monitoring	Partially Satisfactory	Partially Satisfactory	Partially Satisfactory	Partially Satisfactory
	(b) Project management	Satisfactory	Satisfactory	Satisfactory	Satisfactory
	(c) Regulatory framework	Partially Satisfactory	Partially Satisfactory	Partially Satisfactory	Partially Satisfactory
<b>FINAL OVERALL RATING: SATISFACTORY</b>					

### A. Strategic planning and monitoring

There was a need to strengthen controls over the implementation and monitoring of the regional protection strategy

16. The UNHCR Programme Manual requires the Regional Representation to put in place arrangements to ensure that the preparation of annual operations plans is informed by accurate data on persons of concern and comprehensive and participatory needs assessments that adequately take Age, Gender and Diversity issues into consideration. To ensure quality protection for all populations of concern, the Regional Representation is required to effectively mobilize resources and develop and implement a coherent regional protection strategy. It also needs to provide support and oversight to the countries under its responsibility, in line with the UNHCR Policy on Regionalization. The UNHCR Policy on Preparedness for Refugee Emergencies requires the Regional Representation to ensure that the strategic direction and related building blocks for a potential emergency response are in place.

<sup>2</sup> A rating of “**satisfactory**” means that governance, risk management, and control processes are adequately designed and operating effectively to provide reasonable assurance regarding the achievement of control and/or business objectives under review.

17. The Regional Representation effectively coordinated the annual planning process with all countries in the region for both 2014 and 2015. The process was informed by comprehensive needs assessment and either participatory age, gender and diversity assessments or other means of substantive interaction with persons of concern, including collection of data on new arrivals. The Regional Representation prepared operations plans which set goals and objectives, defined outputs and activities, allocated budgets and established deliverables. Evidence was available to confirm that the Regional Representation provided effective oversight and support to countries in the region in areas such as public information, programme management, human resources, and asset management. The Regional Representation also developed a strategy and an action plan, in coordination with the Bureau for Europe and the Division of Emergency, Security and Supply, to address the emergency situation in the region. It supported the authorities in developing contingency plans and documented the Minimum Preparedness Actions to put in place the building blocks for an eventual emergency response. In addition, the Regional Representation was actively involved in private sector fund raising and other resource mobilization activities. It raised \$11.3 million in 2014 and \$20.7 million in 2015. OIOS concluded that the Regional Representation had adequate arrangements in place for the annual planning process, regional oversight and support to countries in the region, emergency preparedness, and resource mobilization.

18. However, OIOS noted that there was scope to further improve the planning and monitoring framework of the regional protection strategy. Based on strategic direction from the Bureau for Europe and UNHCR global strategic priorities, the Regional Representation, during its 2013 regional planning meeting, identified regional protection priorities for 2014-2015. As the operational scenario subsequently changed, the protection work was reprioritized in 2015 to focus on sea arrivals and improved reception conditions. Although the Regional Representation described its regional protection strategy in FOCUS (which is the UNHCR system for results-based management), it did not articulate the implementation modalities with regional and country specific approaches to ensure coherent implementation of the strategy. In addition, it did not indicate the milestones by which its regional protection priorities were to be achieved across each country and did not have a tool to monitor how they would be implemented within the region.

19. As the Regional Representation focused its attention to address challenges associated with the emergency in Greece, it did not sufficiently prioritize the development of an action plan for supporting and monitoring the regional protection priorities. In addition, FOCUS did not include relevant indicators for a regional office to monitor and report on regional activities. Therefore, the Regional Representation was at risk of not implementing its protection priorities in a coherent manner across the region.

**(1) The UNHCR Regional Representation in Italy should, with guidance from the Bureau for Europe and the Division of Programme Support and Management, develop modalities and related milestones and monitoring tools to ensure coherent implementation of the regional protection strategy.**

*UNHCR accepted recommendation 1 and stated that on the basis of the Europe Bureau's global protection strategy the Regional Representation developed a matrix which included the strategic objectives, baselines and milestones for 2016-2018 and the interventions required at regional and country level. Established mechanisms such as verifications, mid-year reviews, assessments, performance monitoring, and detailed planning would serve as monitoring mechanisms. Based on the action taken and documentation provided by UNHCR, recommendation 1 has been closed.*

The Regional Representation needed to provide further guidance to partners and country operations in the region on the uniform assessment and reporting of performance indicators

20. The UNHCR Global Management Accountability Framework requires the Regional Representation to monitor and assess its performance and impact through FOCUS, and to report on progress towards achieving its performance indicators at least twice a year.

21. The Regional Representation established 29 impact indicators and 82 output level indicators for ten Programme Planning Groups in 2014. Except for two impact indicators, it reported on all these indicators. Out of the 82 targeted output level indicators set, the Regional Representation was able to achieve 69. However, there was no clear linkage between the regional protection priorities and the indicators selected by individual country operations in FOCUS for 2014. For example, only the operations in Greece and Italy had selected indicators relating to the work on persons with special needs, like children, which was an area that was prioritized across the region. Also in 2014, the Regional Representation reported 100 per cent achievement for all seven selected impact indicators in Portugal based on the figures reported by a partner; however, these indicators were not verified for accuracy. In July 2015, the Regional Representation took action to create a new Programme Planning Group for persons of concern arriving by the Mediterranean Sea with impact and output level indicators. However, no baselines and targets were set for these indicators.

22. The main reason for the above deficiencies was that the Regional Representation did not sufficiently clarify how the performance indicators should be assessed and reported across the region in a uniform manner. As a result, the Regional Representation did not have a reasonable measure of the extent to which it achieved its objectives.

**(2) The UNHCR Regional Representation in Italy should prepare further guidance to partners and country operations in the region on the uniform assessment and reporting on performance indicators.**

*UNHCR accepted recommendation 2 and stated that the Regional Representation increased its action and influence on programmatic matters since the arrival of a P-3 Regional Programme Officer during the second half of 2015. It had also taken action on harmonizing indicator monitoring and reporting and conducted a programme training workshop for its partners and staff which included reporting on indicators. Based on the action taken and documentation provided by UNHCR, recommendation 2 has been closed.*

## **B. Project management**

Action was taken to improve financial and performance monitoring of projects implemented by partners

23. The UNHCR Enhanced Framework for Implementing with Partners requires the Regional Representation to: (a) select and/or retain the best-fit partners to implement its projects following an objective and transparent selection process; and (b) monitor project activities implemented by partners to ascertain that they are proceeding according to plan and targets, as per an annual risk-based financial and performance monitoring plan agreed with each partner.

24. The Regional Representation provided effective regional oversight of the partner selection process through its presence in the partner selection committee meetings across the region. It directly managed three partnerships in Italy and Portugal in 2014 and two in 2015. For all these projects, it

followed an objective and transparent partner selection process. Other partners in the region were managed by the respective country operations.

25. The Regional Representation monitored the activities of its three partners in Italy and Portugal through a combination of on-site visits and desk reviews. However, it did not have a risk-based annual plan for monitoring of the partners and did not verify the performance indicators reported by the partner in Portugal. The Country Representation in Cyprus managed two partners in both 2014 and 2015. It also did not have a risk-based monitoring plan but conducted at least one monitoring visit to each partner in 2014 and 2015. Notwithstanding, there were weaknesses in the level of scrutiny applied in these financial and performance monitoring activities. OIOS observed a few instances where financial assistance payments made by partners to the persons of concern and performance indicators reported by partners were not supported by adequate documentation.

26. The above resulted as the Regional Representation did not have a presence in Portugal and the Representation in Cyprus did not have full time programme staff; the staff conducting the verification visits had not been trained. This exposed UNHCR to risk of financial loss and inaccurate reporting on the achievement of project objectives. Whilst the audit was ongoing, the Regional Representation undertook a risk assessment of its partners, developed an annual monitoring plan for 2016 and also finalized a programme training plan for its partners and staff. In view of the actions taken by the Regional Representation, OIOS did not make a recommendation in this area.

There was adequate support to adoption of international standards on RSD in Italy, prioritization of integration issues across the region, and support to the new relocation approach in Italy

27. The Regional Representation supported the RSD work in Italy through its presence in the Territorial Commissions responsible for first instance RSD decisions. As part of the transposition of the European Union Asylum Procedures Directive establishing common standards of safeguards and guarantees to access a fair and efficient asylum procedure, the Regional Representation actively discussed the proposed reforms to the asylum system in Italy with the Government, including the creation of a dedicated asylum authority and a reduced administrative engagement in the first instance RSD procedure. The Regional Representation was also part of the working group to consider various recommendations for the reform of the asylum process, including gaps identified in relation to monitoring of the appeals process against the first instance RSD decisions. OIOS concluded that the Regional Representation had adequate arrangements in place to support the Government in adopting international standards on RSD.

28. Given the economic situation in the region, high unemployment and cultural barriers, the integration perspectives for beneficiaries of international protection in southern European countries were considered limited. The Regional Representation therefore supported the introduction of a National Integration Plan in Italy in the context of the transposition of the European Union Qualifications Directive that set out standards as to who qualifies as a beneficiary of international protection, which was intended to address the existing policy level gap. Given its complexity, the Italian authorities had not agreed to set a deadline to complete the National Integration Plan. In Cyprus, there was no national action plan for integration. Although the Representation in Cyprus conducted advocacy and provided inputs to the Government in Cyprus on integration, the Government had not prepared a national integration policy. Despite the remaining legal obstacles, the Regional Representation had adequately prioritized integration issues across the region and demonstrated consistency and proactiveness in its advocacy efforts.

29. To assist frontline European Union member states which were facing disproportionate migratory pressures at their external borders, the European Commission had developed a new relocation approach. The Italian Government accordingly developed a Road Map (relocation plan) and started the relocation pilot programme in September 2015. The Regional Representation developed an implementation strategy



in October 2015 taking into consideration the Italy Road Map for operationalizing its support under the relocation programme. It had a field-based team in the south of Italy to undertake relocation activities, which included providing information and individual counselling to new arrivals on relocation, in cooperation with the European Asylum Support Office. It had a dedicated staff member to coordinate the relocation approach from Rome, to ensure follow-up on field activities and to undertake regular reporting on progress made. The Regional Representation participated in coordination meetings held by the Ministry of the Interior of Italy, where implementation was monitored. It was also in the process of drafting standard operating procedures on the relocation approach jointly with the authorities and other non-governmental organizations. OIOS concluded that despite the slow progress in setting up the facilities and finalizing the procedures on relocation, the Regional Representation had put adequate arrangements in place to support the new relocation approach in Italy.

### **C. Regulatory framework**

#### Controls over the funds directly administered by the Regional Representation were operating as intended

30. The UNHCR financial rules and procedures require the Regional Representation to: (a) implement effective controls over delegation of authority in financial management; (b) implement adequate controls over the management of petty cash and bank accounts; (c) follow up on open items (accounts receivable); and (d) submit accurate monthly reports to headquarters.

31. OIOS review of a sample of 50 payment vouchers valued at \$0.6 million from a population of 401 vouchers with a total value of \$1.1 million showed that vouchers were reviewed and adequately supported with valid documentation. The audit also observed that the Regional Representation: performed regular bank reconciliations; developed a delegation of authority plan ensuring that conflicting roles were not granted to the same person for the same transaction; submitted financial reports to headquarters on its month-end closure activities; and maintained a petty cash account and conducted periodic cash counts. OIOS concluded that controls over the funds directly administered by the Regional Representation were operating as intended.

#### The Regional Representation needed to review and clean up its vendor database and put in place arrangements to improve compliance with procurement rules and procedures

32. The Regional Representation is required to comply with UNHCR procurement rules and procedures, which include: (a) establishing an effective vendor management system; (b) submitting to Regional Committee on Contracts (RCC) for review all cases where the aggregate procurement from a single vendor exceeds \$20,000 during a year; (c) submitting cases for waiver from competitive bidding above \$20,000 to the RCC; (d) ensuring that an RCC member does not participate in Committee meetings when the RCC is considering submissions originating from that staff member's own organizational unit; (e) communicating the composition of the RCC to UNHCR headquarters; and (g) sending the minutes of each RCC meeting to UNHCR Procurement Service in Budapest for review and comments.

33. The Regional Representation did not establish a Vendor Review Committee until January 2016. OIOS identified duplications in vendor records as in three cases vendors with the same bank account number had two different vendor identification numbers and in two cases vendors with the same bank account number had three different vendor identification numbers.

34. The Regional Representation established an RCC to review and approve: procurement cases with a value of \$20,000 or more but not exceeding \$150,000; and waivers from competitive bidding with a value not exceeding \$50,000. It issued 464 purchase orders valued at \$2.5 million between 1 January

2014 and 30 September 2015. OIOS review of 73 purchase orders valued at \$0.7 million and representing 29 per cent of the procurement expenditures indicated that the Regional Representation generally followed the procurement rules and procedures including in terms of: (a) soliciting invitations to bid and requests for quotation; (b) conducting technical and financial evaluation of bids; (c) executing contracts; (d) issuing purchase orders; and (e) maintaining necessary documents such as contracts, purchase orders and requisitions. Nonetheless, OIOS observed the following control deficiencies in procurement processing and oversight:

- The Regional Representation did not submit to the RCC one case in 2014 where the cumulative procurement with a vendor exceeded \$20,000.
- The RCC awarded a waiver from competitive bidding for a procurement case valued at \$73,590, an amount beyond its authority.
- In 2015, total payments to the travel contractor amounted to \$215,749. The contract with this vendor was based on a bidding process conducted in 2010. A re-bidding had not been undertaken since then, and no waiver from competitive bidding had been sought as required under the procurement rules.
- The Representation in Cyprus made alterations to its office premises costing \$34,792 without initiating a formal tendering process. It also awarded the contract to a vendor without submitting the case to the RCC.
- On three occasions, an RCC member participated in the consideration of a procurement case which originated from the same member's organizational unit.
- The Regional Representation did not communicate the composition of the RCC to the Headquarters Committee on Contracts with a copy to the Controller and the Head of Procurement Service as required, and did not send the minutes of each RCC meeting to the Procurement Service for review and comments. The Regional Representation started complying with these requirements while the audit was in progress.

35. These control deficiencies occurred because the Regional Representation had not dedicated sufficient attention to put in place appropriate controls and oversight over vendor management and procurement activities. As a result, the Regional Representation could not ensure that it was getting best value from the procurement of goods and services.

**(3) The UNHCR Regional Representation in Italy should develop and implement an action plan to: (a) review and clean up its vendor database; and (b) strengthen controls and oversight by the Regional Committee on Contracts over procurement activities to ensure full compliance with the UNHCR procurement rules and procedures.**

*UNHCR accepted recommendation 3 and stated that the Regional Representation took action regarding the clean-up of the vendor database. Training was conducted for RCC members and non-supply staff and efforts were on-going to ensure quality control. Based on the action taken and documentation provided by UNHCR, recommendation 3 has been closed.*

#### **IV. ACKNOWLEDGEMENT**

36. 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 regional operations in Italy for the Office of the United Nations High Commissioner for Refugees

Recom. no.	Recommendation	Critical <sup>3</sup> / Important <sup>4</sup>	C/ O <sup>5</sup>	Actions needed to close recommendation	Implementation date <sup>6</sup>
1	The UNHCR Regional Representation in Italy should, with guidance from the Bureau for Europe and the Division of Programme Support and Management, develop modalities and related milestones and monitoring tools to ensure coherent implementation of the regional protection strategy.	Important	C	Action completed	Implemented
2	The UNHCR Regional Representation in Italy should prepare further guidance to partners and country operations in the region on the uniform assessment and reporting on performance indicators.	Important	C	Action completed	Implemented
3	The UNHCR Regional Representation in Italy should develop and implement an action plan to: (a) review and clean up its vendor database; and (b) strengthen controls and oversight by the Regional Committee on Contracts over procurement activities to ensure full compliance with the UNHCR procurement rules and procedures.	Important	C	Action completed	Implemented

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> C = closed, O = open

<sup>6</sup> Date provided by UNHCR in response to recommendations.

# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of the regional operations in Italy for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>7</sup> / Important <sup>8</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Regional Representation in Italy should, with guidance from the Bureau for Europe and the Division of Programme Support and Management, develop modalities and related milestones and monitoring tools to ensure coherent implementation of the regional protection strategy.	Important	YES	Regional Deputy Representative	04/08/2016	<i>The Regional Representation for Southern Europe developed a monitoring matrix listing strategic objectives, baselines, and milestones for 2016-2018 and the interventions required at regional and country level as recommended. This matrix has been developed on the basis of the Regional Bureau for Europe's global protection strategy. Established mechanisms such as verification, mid-year review, assessments, performance monitoring, and detailed planning, will serve as monitoring mechanisms, measuring progress against milestones provided in the second revision of the document. Tools developed for Greece and selected other operations, such as the protection checklist were assessed for use to RO Rome, but given that unlike Greece, RO Rome is not providing support to 'onsite' activities, the checklist was considered of limited use to RO Rome. As the situation in Europe is fast</i>

<sup>7</sup> 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.

<sup>8</sup> 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 regional operations in Italy for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>7</sup> / Important <sup>8</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<i>evolving, the planning scope of the Regional Representation Rome's monitoring framework covering 2018 may require adjustment to reflect the final strategy in 2018 within the context of annual programme review (APR).</i>
2	The UNHCR Regional Representation in Italy should prepare further guidance to partners and country operations in the region on the uniform assessment and reporting on performance indicators.	Important	YES			<i>The recommendation is closed.</i>
3	The UNHCR Regional Representation in Italy should develop and implement an action plan to: (a) review and clean up its vendor database; and (b) strengthen controls and oversight by the Regional Committee on Contracts over procurement activities to ensure full compliance with the UNHCR procurement rules and procedures.	Important	YES	Regional Admin/Finance Officer	04/08/2016	<i>The Regional Representation for Southern Europe convened a Vendor Review Committee (VRC) meeting and took action regarding the clean-up of the vendor database.</i>  <i>VRC meetings are planned on a monthly basis and interaction with the relevant Division and Service is on-going to ensure quality control and compliance is up to the expected standards.</i>