



INTERNAL AUDIT DIVISION

REPORT 2016/128

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

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

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

31 October 2016

Assignment No. AR2016/110/03

CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. OBJECTIVE AND SCOPE	1-2
III. AUDIT RESULTS	2-9
A. Strategic planning	3-4
B. Project management	4-6
C. Regulatory framework	6-9
IV. ACKNOWLEDGEMENT	10
ANNEX I Status of audit recommendations	
APPENDIX I Management response	

AUDIT REPORT

Audit of the operations in Guinea 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 Guinea 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 Guinea (hereinafter referred to as ‘the Representation’) started its operations in 1982 to provide refugees, asylum-seekers and other persons of concern with international protection and humanitarian assistance. As at 31 December 2015, the Representation assisted 9,037 refugees and asylum seekers of whom 75 per cent were from Cote d’Ivoire. About 63 per cent of the population of concern resided in the only remaining refugee camp in Guinea, Kouakan II.
4. The Representation’s strategic priorities in 2016 and 2017 was implementing durable solutions for the remaining population of concern and executing a gradual exit strategy for its operations in Guinea. As per the Operations Plan for 2016 and 2017, the durable solutions consisted of planned repatriation of 6,100 Ivorians, resettlement of 500 individuals, and income generating activities to ensure self-reliance and local integration of the remaining population. UNHCR assistance in sectors such as health, water, sanitation and hygiene and education was intended to be gradually reduced and integrated into public structures in Guinea by the end of 2017. The Representation’s structure was planned to be reduced by the end of 2017 to one office location with reduced staffing headed by a National Officer.
5. The Representation had a Country Office in Conakry, and a Field Office in Nzérékoré serving the Kouakan II camp. The Representation was headed by a Representative at the P-5 level, reporting to the Regional Representative for West Africa in Dakar, Senegal. As at 31 March 2016, the Representation had 41 regular staff of whom three were professional staff. The Representation had expenditures in 2015 of \$3.6 million and up to 31 March 2016 of \$0.7 million. It worked with five partners in 2015 and three in 2016. The total expenditures of these partners in 2015 amounted to \$706,000 and accounted for 53 per cent of the Representation’s programme related expenditures.
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 the operations in Guinea**.
8. The audit was included in the OIOS 2016 risk based internal audit work plan for UNHCR due to risks related to the implementation of the solutions and exit strategy for the Guinea operations.

9. 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 the 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 the management of the operations in Guinea; (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 April to July 2016. The audit covered the period from 1 January 2015 to 31 March 2016. OIOS visited the two UNHCR offices in Guinea (Conakry and Nzérékoré), as well as the Kouakan II refugee camp.

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**¹ in providing reasonable assurance regarding the **effective management of the operations in Guinea**. OIOS made five recommendations to address the issues identified.

14. There was a need for the Representation to: i) implement procedures for continuous registration of refugees and re-assess programme planning figures and objectives in light of reduced population numbers; ii) put in place a comprehensive and coordinated system of project monitoring; iii) conduct livelihoods assessments, establish baseline indicators for livelihoods activities, and develop a comprehensive livelihoods strategy; iv) strengthen management supervision and oversight arrangements over vendor management and procurement; v) ensure annual verification, correct recording and updating of asset and inventory records; and vi) continue actions to ensure that long outstanding accounts receivable are reviewed and appropriate action is taken to clear them.

15. 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 four important recommendations remain 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 Guinea	(a) Strategic planning	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially 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

The Representation needed to implement procedures for continuous registration of refugees and re-assess programme planning figures and objectives in light of reduced population numbers

16. The Representation is required to collect comprehensive data on its population of concern as essential information for programming, including protection, durable solution strategies and decision-making. The UNHCR Registration Manual prescribes the need to have all persons of concern registered and profiling data updated. It further requires the Representation to implement procedures for continuous registration to regularly record births, deaths, marriages and departures, and to validate the data.

17. The Representation had not maintained up-to-date and complete registration information on the refugee population. It last updated its standard operating procedures for continuous registration in 2007, which was also the last time it completed a full re-verification exercise of its population of concern. The Representation had not maintained in a systematic way, relevant profiling information to identify, inter alia, vulnerable refugees, cases for resettlement, and livelihoods opportunities. However, at the time of the audit, the Representation was in the process of conducting a re-verification of all persons of concern. This exercise had been planned for 2014, but was postponed due to the Ebola epidemic.

18. In its current re-verification exercise, the Representation verified, as of June 2016, that there were 4,449 persons against 9,037 recorded in proGres, the UNHCR registration system. This represented a reduction of 51 per cent in the population of concern.

19. The Representation attributed the cause for this reduction to the mobility of refugees within the country in search of sources of livelihoods since the World Food Programme had stopped food distribution in the camp in April 2015. The Representation had also not been conducting continuous registration procedures to identify refugee movements and departures and to reflect these in its records. As a result, the Representation produced incorrect statistics in donor reports and appeals for funding, and also for its programme planning and budgeting. For example, the Representation planned to repatriate and resettle, in 2016 and 2017, some 6,600 refugees which was more than the re-verified population of about 4,500. Reduced population numbers would also have a substantial impact on the durable solution strategies and overall programme planning objectives and budgets for the Guinea operations.

(1) The UNHCR Representation in Guinea should: (i) revise and implement its standard operating procedures for continuous registration of the population of concern which should include procedures for inactivation of registered refugees who did not show up for the verification exercise and procedures to deal with absentees; and (ii) realign its programme planning and budgeting figures to the reduced population numbers.

UNHCR accepted recommendation 1 and stated that: (i) the draft standard operating procedures for the verification/registration in Guinea were being prepared. The team in Guinea submitted their draft to the Regional Registration Unit at the Regional Office in Dakar, which planned to finalize the review by the end of October; and (ii) a reduction of the number of refugees did not necessarily imply a systematic decrease of the budget. Moreover, additional resources would be needed in Guinea to support solutions activities such as local integration and voluntary repatriation. Recommendation 1 remains open pending receipt of evidence of: (i) implementation of the approved standard operating procedures for continuous registration; and (ii) re-prioritization of resources given the reduction in population figures.

B. Project management

There was a need to put in place a comprehensive and coordinated system of project monitoring

20. The Representation is required to implement annual risk-based monitoring plans to direct the conduct of the Representation's performance and financial monitoring activities in a comprehensive manner, using multi-functional teams to assess partners' activities and report on whether they are proceeding according to plans and targets. Staff from programme and project control should be assigned as focal points for monitoring Project Partnership Agreements (PPA) in collaboration with members of the multi-functional teams. Monitoring activities are to be designed to compare the reported partner performance with actual outputs delivered, targets established in the PPA and reported expenditures. The Representation is required to document the monitoring and verification activities undertaken.

21. The Representation reported in 2015 project expenditures amounting to \$707,000, implemented by five partners, and \$376,000 for the period up to 31 March 2016, implemented by three partners.

22. OIOS reviewed the controls established by the Representation for monitoring partners activities, and observed that the Representation had agreed monitoring plans in PPAs, and conducted financial verifications on a quarterly basis for each partner. However, the Representation did not: (a) assign multi-functional teams to conduct the reviews; (b) prepare performance monitoring reports to document its assessment of partners' actual performance against the project implementation plan and targets; and (c) share financial monitoring reports with staff in the field to enable integration of performance and financial monitoring.

23. The above weakness resulted because the Representation did not exercise adequate management supervision and commitment to the control requirements to monitor the accuracy and completeness of project activities implemented and reported on by partners in a comprehensive and coordinated manner. As a result, there was an increased risk that: (a) the Representation continued to work with underperforming partners; and (b) funds allocated to partners were not used effectively. The Representation was also exposed to the risk of not having sufficient knowledge and expertise during the monitoring of projects, depending on the partner and the nature of the project activities, both from financial and operational perspective.

(2) The UNHCR Representation in Guinea should put in place a framework of management control to: (i) assign responsibility for integrated financial and performance monitoring to multi-functional teams; and (ii) systematically assess project performance against targets and document the project performance monitoring activities conducted.

UNHCR accepted recommendation 2 and stated that the Representation established a multi-functional monitoring team for the offices in Conakry and Nzérékoré. The management control framework had been worked out in the form of terms of reference. Every quarter, the multi-functional teams carried out monitoring of performance against targets based on the Implementing Partner Final Reports. Based on the action taken and documentation provided by UNHCR, recommendation 2 has been closed.

The Representation needed to conduct livelihoods assessments, establish baseline indicators for livelihoods activities, and develop a comprehensive livelihoods strategy for refugees

24. The UNHCR Operational Guidelines on the Minimum Criteria for Livelihoods Programming require the Representation to adhere to the mandatory criteria for programming of livelihoods activities, which include: conducting a socio-economic baseline and a market assessment; developing a multi-year livelihoods strategic plan, which includes criteria for selection of refugees, well defined impact indicators and an exit strategy; contracting experienced partners; deploying a dedicated livelihoods expert; and monitoring and evaluating the impact of the programme outputs.

25. The Representation had implemented a range of livelihood activities mainly in the agriculture sector. For example, in 2016, through one partner, the Representation supported 755 families with seeds and agricultural tools and 43 vulnerable families with income-generating activities. OIOS reviewed documentation relevant to the livelihoods programme and visited the partner and several livelihoods projects and observed that the Representation had conducted a socio-economic assessment only for urban refugees. It also lacked baseline data to guide the development of the livelihoods strategy, as the market assessment was not completed and the strategy was still in draft form.

26. The Representation had also not evaluated the impact of the livelihoods interventions carried out in 2015. An assessment of the current livelihood situation for refugees was important as general food distribution assistance to camp-based refugees had stopped from April 2015, and there was no data collected, for example through a nutrition survey, on whether the refugee population had been successful in becoming self-reliant for food needs. Data indicated that not all refugees were self-reliant, as follows:

- The Representation continued to provide food assistance every month to about 400 individuals because of vulnerabilities. A strategy had not been developed to assist this group to become self-reliant.
- The health clinic in the camp reported 12 cases of moderate malnutrition between January to April 2016, and 3 cases of severe malnutrition in January 2016. These cases had not yet been analyzed from livelihood/self-reliance perspective. The moderate malnutrition cases were also not part of the already identified vulnerable refugees and therefore not provided with food assistance.

27. The above shortcomings occurred because the Representation, in cooperation with the Regional Representation for West Africa, had not ensured that adequate control arrangements were in place for managing the livelihoods programme, including in terms of staff expertise required to effectively implement livelihoods activities. Inadequate and a poorly focused livelihoods programme reduced

opportunities for refugees to strengthen their psychological resilience and alleviate their dependence on humanitarian support. Subsequent to the audit, the Representation recruited a livelihoods expert.

(3) The UNHCR Representation in Guinea, in collaboration with the Regional Representation for West Africa, should: (i) assess the impact of the livelihoods activities undertaken and build on lessons learned; (ii) establish baseline indicators for the livelihoods programme; and (iii) develop a comprehensive livelihoods strategy.

UNHCR accepted recommendation 3 and stated that the Representation carried out a social and economic survey in the Kouakan camp. The strategy for livelihoods and empowerment would be finalized by November 2016. Recommendation 3 remains open pending receipt of evidence of: (i) assessment of the impact of livelihoods activities undertaken, including lessons learned; (ii) baseline indicators established for the livelihoods programme; and (iii) the finalized livelihoods strategy.

C. Regulatory framework

Vendor management and procurement procedures needed to be strengthened

28. UNHCR procurement rules and procedures require the Representation to: (a) establish an effective vendor management system facilitated and overseen by a Vendor Registration Committee; (b) prepare an annual procurement plan according to the identified needs; (c) initiate timely procurement activities in accordance with the procurement plan to facilitate transparent and competitive procurement; (d) ensure adequate governance and oversight over the procurement activities through a functioning Local Committee on Contracts (LCC); and (e) maintain supporting documentation for payment of procured goods and services.

29. The Representation did not hold a Vendor Review Committee meeting in the period 1 January 2015 to 31 March 2016. The Representation also did not have proper procedures for vendor vetting and registration and did not conduct vendor performance assessments. As a result, the vendor database was inaccurate and unreliable. For example, there were around 700 inactive and 31 duplicate vendors out of the 1,000 registered vendors.

30. OIOS reviewed the procurement procedures put in place by the Representation and tested all purchases and contracts exceeding \$20,000 (five contracts), which were for the office lease, security, fuel, travel services and sanitary materials, with a total cost of \$558,000. This was 76 per cent of total local procurement of \$735,000 in the period from 1 January 2015 to 31 March 2016. The review indicated that the Representation:

- Developed a procurement plan that only covered partner acquisitions. There was no procurement plan for UNHCR administrative and programmatic requirements.
- Was not monitoring expiry dates of contracts to ensure they were renewed in a timely manner. Three contracts for security, travel services and fuel had expired although the services/goods continued to be delivered.
- Was not systematically submitting contracts at the required threshold for LCC review. Therefore, contracts for fuel, office lease and security, and travel services with a total value of \$499,000 were not reviewed by LCC. Also, the procurement for fuel in 2015 of \$176,000 was not reviewed and approved by both the LCC and the Regional Committee on Contracts as required due to the amount involved.

- Did not implement a competitive process for three contracts, as no quotations were obtained for fuel, the office premises and travel services costing \$499,000.
- Had not implemented an effective system for managing documents submitted to LCC for review. Therefore, only the LCC minutes and final decisions were available, but not the documents on which the LCC was basing its decisions.

31. The above resulted, because the Representation had not established adequate management supervision and oversight arrangements over procurement and vendor management activities, including by the Regional Representation in Dakar which had not conducted any procurement support missions to Guinea in the period under review. As a result, the Representation was exposed to increased risk of financial losses and not receiving best value for money from its acquisition of goods and services.

(4) The UNHCR Representation in Guinea, in collaboration with the Regional Representation for West Africa, should put in place appropriate arrangements to ensure the implementation of: (i) effective vendor registration procedures and clean-up of the vendor database; (ii) comprehensive annual procurement and contract planning; (iii) competitive bidding procedures for procurement; and (iv) controls to ensure that contracts above \$20,000 are submitted to the relevant Committee on Contracts for review and approval.

UNHCR accepted recommendation 4 and stated that actions were underway by the Representation. Tenders had been prepared and advertised in the local newspapers to identify cleaning service, travel and fuel providers according to UNHCR standards. In addition, LCC had organized a session for review and approval of service contracts. Recommendation 4 remains open pending receipt of evidence of implementation of: effective vendor management procedures (including clean-up of the vendor database); comprehensive procurement and contract planning procedures; and controls to ensure that all procurement cases above \$20,000 are systematically submitted to the relevant Committee on Contracts.

Increased oversight was needed to ensure effective asset and inventory management

32. The Representation is required to put in place adequate controls for: (a) accurate recording and physical verification and oversight of its Property, Plant and Equipment (PPE) and Serially Tracked Item (STI) assets, including those held by partners; and (b) effective planning and management of inventories.

33. The Representation had recorded, at the end of March 2016, 51 PPEs with a purchase value of \$1.3 million and 840 STIs with a purchase value of \$1.0 million.

34. OIOS review of procedures observed control weaknesses in asset management. For example, the Representation:

- Established a Local Asset Management Board (LAMB), but the Board did not convene during the audit period.
- After several years, conducted a physical verification of STIs at the time of the audit. The results of this exercise showed that 535 of the 840 recorded STIs could not be accounted for.

- Signed Right of Use Agreements for assets held by partners; however, these agreements did not include a complete list of assets provided to partners, as 292 STIs with a purchase value of \$335,000 were not included.
- Did not retrieve or take action to transfer ownership of STIs that were with 15 partners no longer working with UNHCR.

35. Inventory records for the non-food items stored in the warehouse were also unreliable. For example, the Representation:

- Had not recorded all items in the inventory system, including 13,000 soap bars, 5,000 plastic sheets and 4,500 sanitary items with an estimated value of \$60,000; and
- Did not have a comprehensive distribution plan for all inventory items held in the warehouse. A plan was necessary given that the number of refugees was expected to decrease significantly during 2016, and there were excess numbers of jerry cans and plastic sheets in inventory.

36. The main reasons for the above deficiencies were the lack of monitoring by management and inadequate oversight by the LAMB to ensure that asset and inventory management procedures, including annual physical verifications and updating of records, were implemented as required.

37. As a result, the Representation was: (a) unable to explain whether unaccounted STIs had been lost or disposed of; (b) at risk of having disputes due to differences in assets provided and those listed in Right of Use Agreements; and (c) at risk of increased loss through theft as well as obsolescence due to lax inventory controls and inadequate distribution planning. There had also been a theft of 1,385 plastic sheets with an estimated value of \$15,000 discovered in March 2016, resulting from inadequate hand-over procedures between partners managing the warehouse.

(5) The UNHCR Representation in Guinea should implement an action plan for: (i) updating Serially Tracked Item records and accounting for differences between physical and recorded items; (ii) recording all inventories in the inventory records; and (iii) developing a comprehensive distribution plan for the inventory held in the warehouse.

UNHCR accepted recommendation 5 and stated that the Representation had cleaned up a large number of STIs. Necessary action would be taken to finalize the clean-up of the remaining STIs by the end of October 2016. Recommendation 5 remains open pending receipt of: (i) evidence that STI records have been updated and differences between recorded and physically present STIs have been accounted for; (ii) evidence that all inventories have been recorded in the system; and (iii) a copy of the comprehensive distribution plan for the inventory held in the warehouse.

There was a continued need for management monitoring and increased coordination with UNHCR Headquarters to resolve long pending receivables

38. The Representation is responsible for monitoring and implementing procedures for the timely recovery of accounts receivable. It is required to keep a file containing the monthly print-out of the MSRP Open Item Reconciliation report, copies of vouchers and supporting documents relating to outstanding receivables, and copies of action taken or being taken to recover the advances or to clear the receivables. As part of its monthly financial reporting package, the Representation is required to review the list of open items and send to the Division of Financial and Administrative Management (DFAM) at UNHCR Headquarters a listing of open items with explanations.

39. OIOS review of current accounts receivable balances as of 31 March 2016, totaling \$1.5 million, indicated that the Representation had not taken adequate action to recover or write off long outstanding balances in a timely manner. For example, value-added tax (VAT) of \$1.3 million had accumulated on fuel purchases from 2002 to 2010, but only submitted on 1 September 2015 for write-off by the Representation through the Bureau for Africa, due to lack of response from the Government of Guinea. For fuel purchased between 2011 and 2015, while the Representation submitted claims to the Government for reimbursement, the relevant VAT amounts were not recorded in the UNHCR accounting records as accounts receivable. The Representation had continued to follow up on reimbursement with the Government in cooperation with the United Nations Country Team, but it was unsuccessful. The Representation had sought assistance from the UNHCR Legal Affairs Service at Headquarters to further pursue the issue.

40. Additionally, there were old receivables from staff for which the Representation had:

- Submitted a request for write-off of \$23,568 to DFAM on 1 September 2015 as the amount was deemed unrecoverable.
- Submitted a request to the Division of Human Resources Management in November 2013 for payment of \$15,785 under the hardship provision, as the staff member concerned incurred excess medical expenses not covered by the Medical Insurance Plan; however, despite follow-up the Division had not yet made a decision on the matter.
- Not yet taken action on old staff receivables totaling \$18,881, as it was unaware that they were still pending.
- Not yet taken action on whether or not an amount of \$126,176 for which DFAM had raised an allowance for doubtful accounts was still recoverable or should be requested for write-off.

41. The Representation did not have evidence that it was conducting the required monthly reviews of open items and that it was reporting on these items in its monthly financial report to DFAM. This explained why no action had been taken on \$18,881 of old accounts receivable. The Representation had also not maintained adequate records to support accounts receivable and associated correspondence showing that there had been systematic follow up. DFAM had not commented on the lack of monthly submission of the accounts receivable listing, and there was no evidence that the Regional Representation or the Bureau had followed up on the inadequate controls. During the audit, the Representation prepared an Excel file with explanations for each open item.

42. The situation above was due to lack of a coordinated process between the Representation and UNHCR Headquarters to ensure timely and effective resolution of the old pending receivables. Responsibility for monitoring and follow-up on the pending items was also dispersed, as different sections at UNHCR Headquarters were involved without anyone having been appointed as the focal point for all receivables. Given that the same finding was already raised in the 2011 OIOS report which was pending implementation, and UNHCR committed to take concrete action to finally close it, OIOS is not raising another recommendation but will continue monitoring that recommendation until full resolution of the old receivable amounts.

IV. ACKNOWLEDGEMENT

43. 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 Guinea 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 Guinea should: (i) revise and implement its standard operating procedures for continuous registration of the population of concern which should include procedures for inactivation of registered refugees who did not show up for the verification exercise and procedures to deal with absentees; and (ii) realign its programme planning and budgeting figures to the reduced population numbers.	Important	O	Submission to OIOS of evidence of: (i) implementation of the approved standard operating procedures for continuous registration; and (ii) re-prioritization of resources given the reduction in population figures.	31 December 2016
2	The UNHCR Representation in Guinea should put in place a framework of management control to: (i) assign responsibility for integrated financial and performance monitoring to multi-functional teams; and (ii) systematically assess project performance against targets and document the project performance monitoring activities conducted.	Important	C	Action completed	Implemented
3	The UNHCR Representation in Guinea, in collaboration with the Regional Representation for West Africa, should: (i) assess the impact of the livelihoods activities undertaken and build on lessons learned; (ii) establish baseline indicators for the livelihoods programme; and (iii) develop a comprehensive livelihoods strategy.	Important	O	Submission to OIOS of evidence of: (i) assessment of the impact of livelihoods activities undertaken, including lessons learned; (ii) baseline indicators established for the livelihoods programme; and (iii) the finalized livelihoods strategy.	31 December 2016
4	The UNHCR Representation in Guinea, in collaboration with the Regional Representation for West Africa, should put in place appropriate arrangements to ensure the implementation of: (i)	Important	O	Submission to OIOS of evidence of implementation of: effective vendor management procedures (including clean-up of the vendor database); comprehensive	31 December 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.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Guinea 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
	effective vendor registration procedures and clean-up of the vendor database; (ii) comprehensive annual procurement and contract planning; (iii) competitive bidding procedures for procurement; and (iv) controls to ensure that contracts above \$20,000 are submitted to the relevant Committee on Contracts for review and approval.			procurement and contract planning procedures; and controls to ensure that all procurement cases above \$20,000 are systematically submitted to the relevant Committee on Contracts.	
5	The UNHCR Representation in Guinea should implement an action plan for: (i) updating Serially Tracked Item records and accounting for differences between physical and recorded items; (ii) recording all inventories in the inventory records; and (iii) developing a comprehensive distribution plan for the inventory held in the warehouse.	Important	O	Submission to OIOS of: (i) evidence that STI records have been updated and differences between recorded and physically present STIs have been accounted for; (ii) evidence that all inventories have been recorded in the system; and (iii) a copy of the comprehensive distribution plan for the inventory held in the warehouse.	31 December 2016

APPENDIX I

Management Response

Management Response

Audit of the operations in Guinea 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
1	The UNHCR Representation in Guinea should: (i) revise and implement its standard operating procedures for continuous registration of the population of concern which should include procedures for inactivation of registered refugees who did not show up for the verification exercise and procedures to deal with absentees; and (ii) realign its programme planning and budgeting figures to the reduced population numbers.	Important	Yes	Protection Officer	Ongoing process	(i) The draft of the standard operating procedure (SOP) for the verification/registration in Guinea is under review. The team in Guinea submitted their draft to the Regional Registration Unit at the Regional Office in Dakar, which planned to finalize the review by the end of October. (ii) A reduction of the number of refugees does not necessarily imply a systematic decrease of the budget. Therefore, the decrease of refugees from 2016 to 2017 does not affect the budgets. Moreover, additional resources will be needed further to support solutions activities such as local integration and voluntary repatriation in Guinea Operation.
2	The UNHCR Representation in Guinea should put in place a framework of management control to: (i) assign responsibility for integrated financial and performance monitoring to multi-	Important	Yes	Associate Programme Officer (NOB) and Associate	Ongoing process	A Multi-Functional Team is established for each office (Conakry and Nzerekore). The management control framework

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 Guinea 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
	functional teams; and (ii) systematically assess project performance against targets and document the project performance monitoring activities conducted.			Programme Officer (IUNV)		has been worked out in the form of terms of references by the office in Guinea. As provided under paragraph 5 of the framework, every quarter the MFTs carry out the monitoring of performance against targets based on the Implementing Partner Final Reports submitted by the implementing partners.
3	The UNHCR Representation in Guinea, in collaboration with the Regional Representation for West Africa, should: (i) assess the impact of the livelihoods activities undertaken and build on lessons learned; (ii) establish baseline indicators for the livelihoods programme; and (iii) develop a comprehensive livelihoods strategy.	Important	Yes	Associate Public Officer (Focal point)	Ongoing process	The livelihoods consultant was recruited and the social and economic survey conducted in the Kouankan camp. The strategy of livelihoods and empowerment (2017) for the operation of Guinea will be finalized by November 2016.
4	The UNHCR Representation in Guinea, in collaboration with the Regional Representation for West Africa, should put in place appropriate arrangements to ensure the implementation of: (i) effective vendor registration procedures and clean-up of the vendor database; (ii) comprehensive annual procurement and contract planning; (iii) competitive bidding procedures for procurement; and (iv) controls to ensure that contracts above \$20,000 are submitted to the relevant Committee on Contracts for review and	Important	Yes	Supply Associate	30/10/2016	Actions are underway. Tenders have been prepared and advertised in the local newspapers to identify Cleaning Services, Travel Agency and Fuel according to UNHCR standards. Two contracts were signed with the first two service providers. In addition, the Local Contracts Committee has organized a session for review and approval for service contracts of at least 20,000 USD.

Management Response

Audit of the operations in Guinea 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
	approval.					
5	The UNHCR Representation in Guinea should implement an action plan for: (i) updating Serially Tracked Item records and accounting for differences between physical and recorded items; (ii) recording all inventories in the inventory records; and (iii) developing a comprehensive distribution plan for the inventory held in the warehouse.	Important	Yes	Supply Associate	30/10/2016	Actions are underway and a large number of Serially Tracked Items (STIs) have been cleaned-up, in collaboration with headquarters. The necessary actions will be taken to finalize the clean-up of the remaining STIs by end October 2016.