Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2018/145

Audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees

There was a need for the Representation to scale up activities to meet the country and global goal of eradicating statelessness by 2024 and to develop an exit strategy for the repatriation and reintegration of refugees

20 December 2018
Assignment No. AR2018/111/04

Audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the UNHCR Representation in Côte d'Ivoire was managing the delivery of services to persons of concern in the country in a cost-effective manner and in compliance with UNHCR's policy requirements. The audit covered the period from 1 January 2017 to 31 May 2018 and included a review of: (a) statelessness; (b) voluntary repatriation; (c) reintegration; (d) partnership management; and (e) cash-based interventions (CBI). In addition, OIOS assessed the adequacy of the Representation's programme planning, monitoring and reporting mechanisms as an integral part of all five areas listed above. An assessment of the Representation's control environment and enterprise risk management (ERM) was also integrated in the review of these areas.

There was a need for the Representation to update its multi-year country level statelessness strategy and develop a repatriation and reintegration exit strategy. There was also a need to strengthen controls over CBI and partnership management. While the Representation had identified major risks in its risk register, it was not following up on the implementation of actions identified to mitigate those risks, and ERM was not mainstreamed into the Representation's day to day operations.

OIOS made four recommendations. To address issues identified in the audit, the Representation needed to:

- Update the multi-year country level statelessness strategy and develop an implementation plan to scale up related activities to meet the 2024 target of eradicating statelessness;
- Prepare an exit strategy that: (i) clarifies the number of refugees still interested in being repatriated, contains a road map for their repatriation, and identifies the most effective way of repatriating them; and (ii) includes measures to streamline reintegration assistance into the National Development Plan;
- Develop, implement and monitor a local CBI strategy, informed by a documented needs assessment and supported by standard operating procedures, and ensure compliance with the UNHCR administrative instructions for CBI and accountability for the use of the resources; and
- Strengthen partner selection, capacity building and monitoring processes to ensure that: (i) selected partners provide effective services to persons of concern; (ii) pending receivables from past years' projects are liquidated; and (iii) measures are put in place to recover from partners all ineligible and unauthorized project costs.

UNHCR accepted the recommendations and has initiated action to implement them.

CONTENTS

Audit of the operations in Côte d'Ivoire 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 Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. The UNHCR Representation in Côte d'Ivoire (hereinafter referred to as 'the Representation'), was established in 1989 to assist refugees, returnees and other persons of concern (POCs) with international protection and humanitarian assistance. The Representation was dealing with two active situations, i.e. statelessness in West Africa and the voluntary repatriation and reintegration of Ivorian refugees. The Office was assisting three population groups, namely: (i) 700,000 unprofiled stateless persons and persons at risk of statelessness; (ii) 268,765 Ivorian refugees who had returned to the country between 2011 and 2018 (UNHCR had facilitated the return of 70,195 of them); and (iii) 1,659 refugees and 297 asylum seekers mainly from six other countries in Western and Central Africa.

3. As at 31 May 2018, the Representation had a Country Office in the capital city, Abidjan, and a Sub Office in Guiglo. It had closed its Field Office in Tabou on 31 December 2017. The Representation was led by a Representative at the D-1 level and had a complement of 10 professional posts, 44 general service posts, 4 international United Nations Volunteers (UNVs) and 16 national UNVs. The Representation worked with six partners in 2017 and 2018. It recorded total expenditure of $4.6 million in 2017 and had a budget of $4.0 million in 2018 ($1.6 million was spent by 31 May 2018).

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

4. The objective of the audit was to assess whether the Representation in Côte d'Ivoire was managing the delivery of services to POCs in the country in a cost-effective manner and in compliance with UNHCR's policy requirements.

5. This audit was included in the 2018 risk-based work plan of OIOS due to risks related to the implementation of UNHCR programmes on statelessness and voluntary repatriation in Côte d'Ivoire.

6. The audit took place between May and October 2018 and was carried out in Abidjan and Guiglo. The audit covered the period from 1 January 2017 to 31 May 2018. Based on an activity-level risk assessment, the audit covered higher risk areas pertaining to the operations in Côte d'Ivoire, which included: (a) statelessness; (b) voluntary repatriation; (c) reintegration; (d) partnership management; and (e) cash-based interventions (CBI). In addition, OIOS assessed the adequacy of the Representation's programme planning, monitoring and reporting mechanisms as an integral part of all five areas listed above. An assessment of the Representation's control environment and enterprise risk management (ERM) was also integrated in the review of these areas.

7. The audit methodology included: (a) interviews of key personnel; (b) review of relevant documentation; (c) analytical reviews of data, including financial data from Managing for Systems, Resources and People (MSRP), the UNHCR enterprise resource planning system, and performance data from Focus, the UNHCR results-based management system; (d) sample testing of controls; (e) visits to both UNHCR offices in Côte d'Ivoire, four partner offices, including two Government partners, and seven project sites; and (f) interaction with a sample of beneficiaries.

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

9. Comments provided by the Representation are incorporated in italics.

III. AUDIT RESULTS

A. Statelessness

Need for the Representation to update its multi-year country level statelessness strategy and plan to scale up the statelessness related activities

10. Côte d'Ivoire has the largest reported number of stateless persons in Africa, which makes addressing statelessness in the country critical for UNHCR in its efforts to achieve the goals set in its 10-year campaign to end statelessness globally by 2024. UNHCR's Global Action Plan to End Statelessness (2014-2024) encourages UNHCR Representations to develop National Action Plans, as part of their comprehensive protection and solutions strategies. UNHCR's role in statelessness includes advocacy for changes to legislation, identifying statelessness situations, supporting measures to address statelessness, and promoting solutions, usually the acquisition of a nationality.

11. Between 2014 and 2018, the Representation took several actions to address statelessness in Côte d'Ivoire. This included communication campaigns to improve the public's attitude towards the POCs and preparatory work to align the country's legislation on nationality to international standards. In line with the Representation's priority strategic objectives, it supported the Government in the country-wide effort to identify, profile and map stateless individuals and those at risk of statelessness. It also supported the digitalization of the naturalization and civil registry systems. At the time of the audit, the Representation was reviewing its multi-year country level statelessness strategy and plan.

12. However, challenges remained in Côte d'Ivoire four years into the implementation of the global strategy limiting the country's progress in eradicating statelessness. This was because the Ivorian national laws still lacked mandatory safeguards to reduce and prevent statelessness, impacting processes to legally integrate long-standing migrants and their descendants into the Ivorian citizenry. The National Action Plan for the Eradication of Statelessness developed by the Government in September 2016 with the support of the Representation had not been approved at the time of this audit. This impacted the implementation of key reforms required in the legislation as well as other proposed actions to prevent and reduce statelessness. It also meant that the country lacked a basis on which to rally and coordinate the support of stakeholders who may have an interest in finding solutions to the country's statelessness problems.

13. The Government planned to run a household survey in the first semester of 2018 to identify, profile and map stateless persons in the country but the survey had not started at the time of the audit. Therefore, neither the Government nor the Representation had proper information to aide planning for an effective response. For example, the figures the two entities were working with (700,000 stateless persons) did not include abandoned children (foundlings) and were not supported by a statistical analysis and national census data. Should the survey confirm the expectation that stateless persons mainly dwell in the northern and eastern parts of the country, this could affect the Representation's operations that were predominantly in the west and south-west parts of the country.

14. The Representation supported stateless people to get certificates of nationality that were legal documents issued by a judge to confirm an individual's nationality and a pre-requisite for obtaining a national identity card. However, only 1,783 out of 3,566 (50 per cent) national certificates issued in 2017

went towards stateless individuals bringing the total number of stateless people with certificates to 15,773 out of 123,000 people that had applied and an estimated 700,000 stateless persons in need. In addition, the certificates were only valid for 10 years and needed to be renewed through the same complex process, if a national identity card was not obtained.

15. Stateless persons also needed birth certificates to apply for certificates of nationality, yet only 762 birth certificates were issued to them in 2017. With national data estimating that only 55 per cent of all births in the country were registered, many people, particularly stateless persons, needed to apply for late birth certificates. This came at a cost that some of them may have found prohibitive to start the process. Without adequate measures in place to prevent statelessness as discussed above, this number was bound to increase. OIOS noted through interviews and review of documentation during its visit to Guiglo that the lack of documentation by POCs limited their access to education and health services, and affected their livelihood since they could not get employment.

16. In addition to the political and legal constraints, the Representation stated that its support to the Government to meet the objective of eradicating statelessness by 2024 was constrained by limited funding. While the Representation received a 100 per cent increase on its budget pillar for statelessness between 2017 and 2018 (i.e., an increase from $960,000 to $2 million), it was of the view that the available resources were still inadequate given the country's large caseload of stateless people and the need for the Representation to consider opening another office and strengthening its skill sets to provide effective services. That said, OIOS noted that the focus groups for the Age, Gender and Diversity planning methodology did not include statelessness as a separate profile, which affected its prioritization during the Representation's planning and budgeting process since resource allocation was guided by the focus groups.

17. The Representation also did not spend all the allocated funds in 2017, which contradicted its argument that resource constraints adversely affected its statelessness programme activities. It only spent $692,000 (72 per cent) of the $960,000 allocated to statelessness in 2017, and the corresponding expenditure rate in the five-month period to 31 May 2018 stood at 26 per cent. The underspend in 2017, according to the Representation, was due to insufficient funds in 2017 to conduct the mapping exercise. Additional funds were made available for the mapping exercise in 2018. Further analysis showed that the three partners selected for implementing the Representation's statelessness projects spent only between 43 and 80 per cent of the funds allocated to them in 2017. OIOS also noted that 79 per cent of the 2017 expenditure and 50 per cent of the 2018 statelessness budget went towards partner staff salaries and training of partners, with the corresponding adverse impact on the level of funding that was spent directly on providing services to stateless persons.

18. OIOS further noted that the indicators and targets in the partners' performance reports differed from those that were agreed in the log frames in the respective Project Partnership Agreements (PPAs). In consequence, the performance results reported by the two Government partners ranged between 1 to 302 per cent of the set targets, thus putting into question either the reliability of planning assumptions and data or the accuracy of results reported against the objectives. There was no evidence to support that the Representation had sought explanations or undertaken reviews to identify and address any operational bottlenecks or capacity challenges related to the partners and the projects implemented by them.

19. The Representation identified the risk of limited response to statelessness as a high risk in its risk register and attributed this to uncertainties stemming from the upcoming elections in Côte d'Ivoire in 2020, limited awareness of statelessness by authorities and general population, as well as difficulties of stateless persons to obtain relevant documentation in support of their applications because of the country's legislation. This risk was prioritized but mitigating actions were not listed in the risk register.

20. In the view of OIOS, despite some of the legal and political challenges that the Representation had no control over, the effectiveness of the Representation's response to the statelessness issues was hampered by the lack of an up-to-date strategy and implementation plan to support its requests for funding, guide its response in addressing challenges facing the stateless in the country, and identify stakeholders and partners needed to deliver on this mandate in a sustained manner. A multi-year strategy and budget was needed since addressing statelessness was a long-term activity which transcended the annual planning cycle. As the Representation itself had identified, it was exposed to the risk of inability to provide an adequate response for identifying, preventing and reducing statelessness which presented a reputational risk to UNHCR. Considering the country's large number of stateless persons, its ability to achieve the set targets before 2024 had major implications also for UNHCR's global statelessness targets.

(1) The UNHCR Representation in Côte d'Ivoire, with the support of the Regional Representation for West Africa, the Bureau for Africa and the Statelessness Unit in the Division of International Protection at headquarters, should update its multi-year country level statelessness strategy and develop an implementation plan to scale up related activities to meet its 2024 target of eradicating statelessness.

UNHCR accepted recommendation 1 and stated that the Representation was in the process of updating its multi-year country level statelessness strategy through the support of the Regional Representation for West Africa and the Africa Bureau, in order to meet the 2024 High Commissioner's target of eradicating statelessness. This update would be made in line with the outcome of the statelessness mapping exercise currently being finalized. Recommendation 1 remains open pending receipt of: (i) the finalized statelessness strategy; and (ii) an implementation plan detailing how activities will be scaled up to meet the statelessness targets.

B. Voluntary repatriation

Need for the Representation to revise its multi-year plan to include an exit strategy for the repatriation of the remaining interested refugees to Côte d'Ivoire

21. The Ivorian Government had signed open-ended tripartite agreements with Liberia, Ghana, Togo, Guinea and Mali to repatriate refugees that had sought asylum in exile. In the country of repatriation, the Representation was required to: (i) promote repatriation solutions, i.e. activities that help bring about voluntary, safe and dignified conditions for refugee repatriation; and (ii) facilitate the repatriation processes, i.e. providing limited material assistance for their repatriation, negotiating amnesties and guarantees, monitoring returnees, etc. These requirements were further stipulated in UNHCR Handbook on Voluntary Repatriation.

22. UNHCR had developed a regional strategy for durable solutions for Ivorian refugees outside its borders with a focus on their repatriation. The Representation spent $2.8 million against a budget of $4.7 million on repatriation in 2017 and $380,000 in the first five months of 2018 (annual 2018 budget was $1.3 million). The 2018 budget was reduced by 72 per cent in anticipation that the repatriation would be completed by 31 December 2017, which did not happen.

23. The Representation could not confirm the willingness of the remaining case load estimated at 25,990 (i.e., the remaining 9 per cent still in exile) to return and if so, what obstacles were stopping them from reaching a decision. The Representation only repatriated 8,270 out of its target of 16,000 Ivorians in 2017 and, in the five months to May 2018, 1,017 Ivoirians were repatriated against an annual target of 3,500. The unanticipated reduction in returnees was attributed to the imminent elections in 2020, as well as the possibility that with 91 per cent of the population having already been repatriated, they were reaching the

maximum number of refugees that were willing to be repatriated. The lower number of refugees repatriated in the period under audit also affected the three implementing partners' project expenditure. They only spent 72 per cent of the allocated repatriation project budgets.

24. The fact that the Government had signed open-ended tripartite agreements meant that in the absence of an intervention to end the repatriation process, there was a risk that it would go on indefinitely while the cost per refugee continued to increase: with the number of returnees reducing and the fixed costs remaining the same, the cost per refugee repatriated increased from $334 in 2017 to $374 in 2018. At the time of the audit, the Representation had not undertaken an analysis to determine whether it was more cost effective for it to implement the remaining activities, instead of working through partners.

25. In addition, as was the case with statelessness above, the targets in the partners' periodic performance reports differed from the amounts that were listed in the log frames in their PPAs. OIOS also noted that partners reported against different parameters from the established indicators in the PPA. For example, the Representation arranged for the transport of returnees and OIOS' review of transportation modalities showed that the Representation did not have documented criteria or returnee lists to support the number of vehicles used. It also did not have documents as evidence that the paid fleet had made the designated trips.

26. UNHCR closed the Sub Office Tabou in south-west Côte d'Ivoire in 2017 in anticipation of drastically reduced repatriation activity. However, because there was still repatriation happening in 2018, the returnees in the south-west and west parts of the country were supported through the Representation's Sub Office in Guiglo in western Côte d'Ivoire. This meant that Sub Office Guiglo was managing 60 per cent of the Representation's POCs. However, activities in Guiglo were constrained because there was no corresponding reallocation of resources to support the increased caseload. The Representation's management and coordination structures were also not revised to support the Sub Office's expanded scope of work and geographical coverage. For example, the consolidation created a logistical challenge in the office's ability to efficiently and effectively support the repatriation process because Tabou and Guiglo were 9 hours' drive apart.

27. To address the issues cited above, there was a need for the Representation to update its durable solutions strategy reflecting the changing environment within which repatriation of refugees was happening. Unless addressed, the repatriation process could become drawn out and impact not only the quality but also the cost of delivery of services. OIOS raises a recommendation on this issue in connection with section C below on reintegration, given the close interlinkages of the actions required.

C. Reintegration of returnees

Need to streamline reintegration activities into the country's National Development Plan as part of the multi-year repatriation plan

28. UNHCR's obligation to find durable solutions includes the initial reintegration of the returnees in conditions of safety and dignity. In order to do this, the Representation was required to ensure that: (i) the needs of returnees are assessed in relation to their access to services, resources and opportunities on terms similar to those of the host community; (ii) reintegration is fostered through a community approach, supporting collective needs in a manner which fosters reconciliation through community participation and commitment; (iii) local capacities are supported to fend for themselves without building aid dependency; and (iv) returnees are not granted undue benefits and privileges because of their previous conditions as refugees, thereby possibly causing resentment among other, less privileged community members.

29. The UNHCR Regional Strategy for Durable Solutions for Ivorian Refugees focused on the reintegration of the most vulnerable only and was implemented through a community based approach, with relevant activities expected to be streamlined into governmental structures and the United Nations development structure. In the period 2011-2016, the Representation, in collaboration with other United Nations agencies, programmes and funds, Government counterparts and NGOs, had undertaken various activities to support reintegration processes. These included strengthening the civil registry, supporting returnees in obtaining civil status documentation, rehabilitating buildings and water points, etc.

30. Out of the 286,765 repatriated Ivorians since 2011, UNHCR planned to assist the reintegration for an estimated 18,768, i.e. 4 per cent of the arrivals. Based on information collected from 4,695 repatriated Ivorians, the Representation produced a monitoring report in March 2018 that confirmed the need to improve their conditions in terms of quality of public institutions and social welfare. This was also captured in the United Nations Development Assistance Framework for 2016-2020. Therefore, and in view of the decline in repatriation numbers, OIOS would have expected the Representation to have instituted mechanisms to streamline its residual activities into the National Development Plan as per the 2030 Sustainable Development Agenda, but no evidence was available in this regard.

31. The reintegration programme was mainly implemented through three partners in the south, south-west and Abidjan area. Overall, only 76 per cent of the overall reintegration budget was spent in 2017, with the Representation utilizing 95 per cent of its budget and its partners' spending between 65 to 92 per cent of the funds allocated to them. Considering the partners' failure to spend allocated funds, OIOS was unable to assess the three partners' performance in delivering services to POCs because they reported against different indicators from those established in the relevant PPAs. In addition, the Representation's reported reintegration programme indicators ranged from 0 to 715 per cent which raised questions about both the planning assumptions used in setting targets and the quality of monitoring and data review.

32. OIOS visited a sample of project sites and activities in the west of the country and in the Abidjan area and noted that generally reintegration activities had been performed in line with the devised strategy and UNHCR policies on reintegration. However, OIOS identified deficiencies in planning and monitoring of construction of shelters and latrines, which raised questions on whether best value was received in these activities:

- The number of shelters to be constructed by the two partners involved in shelter construction activities were agreed and incorporated in their PPAs. Due to increased costs at the time, the Representation agreed to change the construction specifications to contain costs and maintain output. The PPA was not updated to reflect the agreed changes and, contrary to the agreement, the partners had still delivered 110 less units than planned (as at the time of the OIOS audit mission in June 2018). The Representation could not explain why the number of shelters delivered was lower than the set target despite savings on the cost of materials for construction. The Representation made the changes to the PPA after the audit, in November 2018.
- OIOS also identified differences between the number of latrines constructed per household, whereby each household was meant to have their own latrine. Also, some of the constructed latrines had not been used at all. While the Representation explained that not every beneficiary wanted the latrine, this raised questions on whether during planning the local norms and habits were considered and measures taken to address the related behaviours of returnees.
- The Representation also did not have a system in place for inspecting the constructions for quality delivered as per agreed standards prior to the handover of shelters and latrines to beneficiaries. For example, a partner constructed a classroom in Zeaglo without an approved construction plan and bill of quantity. Consequently, the Representation had no basis against which to check whether the work was completed in accordance with agreed upon specifications. After the audit mission, the

Representation finalized standard operating procedures (SOPs) incorporating hygiene sensitization and inspection of construction work.

33. As was the case with repatriation, the issues above arose from the lack of an up-to-date strategy reflecting the need to phase out and eventually exit the reintegration process of returnees due to changing environment within which repatriation and reintegration of refugees was happening. All community-based projects were implemented following a needs assessment carried out by local authorities, and based on resources available and the return areas were not included in the Government's priorities laid out in its national Development Plan (2016-2020). This impacted the quality of services that were offered to returnees as was noted in the March 2018 monitoring report.

(2) The UNHCR Representation in Côte d'Ivoire, in collaboration with the Regional Representation for West Africa, should prepare an exit strategy that: (i) clarifies the number of refugees still interested in being repatriated, contains a road map for their repatriation, and identifies the most effective way of repatriating them; and (ii) includes measures to streamline reintegration assistance into the country's National Development Plan with development actors.

UNHCR accepted recommendation 2 and stated that the Representation supported the main Ivorian government partner to organize a regional conference on durable solutions for Ivorian refugees in Abidjan from 27 to 29 November 2018 where it was agreed that the Representation would move from facilitation to promotion of voluntary repatriation. An 18-month road map to repatriate or locally integrate the remaining Ivorian refugee caseload situation was also recommended during the 2018 Executive Committee discussions between Cote d'Ivoire, asylum countries and UNHCR senior management. Recommendation 2 remains open pending receipt of evidence of: (i) the preparation of a cost-effectiveness analysis of selected repatriation modalities for the remaining caseload in line with the approved roadmap; and (ii) viable and sustainable inclusion of reintegration assistance in the National Development Plan.

D. Cash-based interventions (CBI)

Need to strengthen internal controls and management oversight over CBI to ensure that project objectives are achieved and related resources are adequately safeguarded

34. The Representation had since 2012 provided a one-off unconditional cash grant to assist returnees' early reintegration and paid $1,291,934 in 2017 and $143,156 during the first five months of 2018. To ensure effective programming and delivery of CBI, the Representation was required to: (i) plan and design the CBI programme by undertaking a risk assessment and assessing the feasibility of such a programme; (ii) develop SOPs governing the selection criteria, value of transfers, and operational, financial and protection related controls; and (iii) monitor the performance and evaluate the impact of the CBI. These broad requirements are promulgated in the UNHCR Policy on CBIs with the aim to institutionalize the UNHCR CBI strategy and manage the associated risks.

35. The Representation converted the provision of non-food items into monetary assistance and gave returnees money to help them settle at their destination. OIOS however noted that the Representation's decision to change to CBI was made without undertaking a pre-assessment to identify the most effective method of using CBI. This would have helped the Representation identify the areas that were best suited for CBI and the best delivery modalities to use. Consequently, the Representation noted from an impact assessment undertaken in conjunction with the Bureau that while cash grants initially improved social cohesion, for a few cases, the situation worsened to lower levels than was the case initially, after the cash

was used. Other issues reported in the impact assessment included security incidents, mismanagement and/or embezzlement of the cash in some households, sexual and gender-based violence cases, etc. The report had not been finalized at the time of the audit, and measures to address these issues were yet to be instituted.

36. OIOS noted that the Representation had not established the required controls that would ensure effective programming and delivery of CBIs to POCs. It lacked SOPs that would have provided guidance on the selection criteria of beneficiaries, value of transfers, and operational, financial and protection related controls for effective distribution of CBIs. Although one of the four prioritized risks in its risk register was the security risk related to handling of large sums of cash for payment of incentives to POCs, no actions were put in place to mitigate against this risk.

37. OIOS identified misclassifications related to the total reported CBI expenditure, with expenses of $34,452 in 2017 charged against the wrong budget line. In addition, payments made by one partner amounting $20,400 were not supported with documentary evidence. This partner's external auditors also raised several control weaknesses in their 2016 and 2017 management letters, including unsupported and ineligible expenditures. These issues had not been followed up during the Representation's financial verification, raising questions about the level of scrutiny the Representation had over this area. Also, the Representation's Implementing Partnership Management Committee (IPMC) did not consider the identified weaknesses in its selection and retention process for this partner and, therefore, did not put in place measures to address the identified weaknesses.

38. The root cause of the issues cited above was weak management oversight over CBI projects, as illustrated by the Representation's non-compliance with key controls laid out in the administrative instructions for CBI. Inadequate financial, operational and anti-fraud controls over the CBI programme exposed the Representation to the risk that payments would not be made to the intended beneficiaries, and that the programming objectives would not be achieved.

(3) The UNHCR Representation in Côte d'Ivoire should strengthen its management oversight over Cash-Based Interventions (CBI) by developing, implementing and monitoring a local CBI strategy, informed by a documented needs assessment, as well as related standard operating procedures that ensure compliance with the UNHCR administrative instructions for CBI and accountability for the use of the resources.

UNHCR accepted recommendation 3 and stated that the Representation would complete its local CBI strategy by the end of January 2019. Recommendation 3 remains open pending receipt of: (i) the finalized CBI strategy informed by a needs assessment; and (ii) updated SOPs related to CBI.

E. Partnership management

Need for the Representation to strengthen its controls over partnership management to better support programme implementation, and ensure partner accountability for project results

39. The Representation entered into agreements with seven partners which accounted for 69 per cent ($4.4 million) of the Representation's total expenditure in 2017. In 2018, it reduced the number of partners to six with a budget of $2.1 million (50 per cent of the total budget). In order to achieve the expected project results through the use of partners, the Representation was required to: (i) select or retain partners through a process that demonstrates objectivity, transparency, consistency and timeliness; (ii) sign well developed project agreements with partners and transfer instalments to them in a timely manner; (iii) monitor project activities and expenditures through a risk-based and multi-functional approach; and (iv) arrange for building

capacity of partners as and when necessary. These requirements are promulgated in the UNHCR Enhanced Framework for Implementing with Partners and various supporting guidelines and administrative instructions, with the aim to strengthen accountability over UNHCR resources entrusted to partners, and to manage the associated risks, including fraud risks.

40. The Representation established an IPMC to manage the partner selection process. As noted earlier in this report, OIOS questioned the effectiveness of IPMC's decision making considering its selection of partners for whom several control weaknesses had been previously raised by their external auditors. For example, some partners retained were unable to provide supporting documentation for all their expenditure in previous years and others had ineligible expenditure, i.e. costs not spent in line with the approved project budget. Other partners had not refunded balances at the end of the reporting period. In such cases, partners were appointed without instituting capacity building plans to address known weaknesses. At the time of the audit, the Representation had not held meetings with partners to address external audit issues.

41. The selection process for partners for 2018 also did not consider past financial and programme performance of partners and did not involve obtaining input from staff in the field offices under whom key partners operated. As noted in the sections above, many partners were unable to spend allocated funds, which brought into question the effectiveness of the IPMC is assessing partner capacity to implement. Considering the fact most of the funding under some programmes went towards staff related costs, OIOS also questioned the quality of IPMC's budget review in ensuring that most funding went towards direct support to refugees.

42. The Representation assessed the procurement capacity of partners to undertake procurement before designating significant procurement to them, except for one partner. This partner procured substandard roofing sheets for the construction of shelters, and due to their inferior quality rusted seven months after construction. The partner did not initially include this quality of material in its PPA, but subsequently requested the Representation's approval to change from the recommended roofing sheets to the inferior ones claiming that the cost of the roofing sheets in the market had increased. The Representation knew that this partner may have underquoted during the bidding process since their quote was $654 in comparison to the $884 spent in the previous year. The PPA was also not amended to reflect the changes and, thus, the purchase of cheaper materials was not in line with the original, signed agreement.

43. The Representation deployed a multifunctional team to monitor programme implementation through partners. However, some members of this team were not always available at the scheduled times for monitoring activities; and thus, those aspects were not covered during monitoring. For example, financial elements were not covered if project control staff could not join the multifunctional team. Also, although the Representation had risk-based monitoring plans in place, OIOS questioned their comprehensiveness because the Representation undertook the same number and intensity of monitoring visits regardless of the assessed partner and/or project risk. For example, the Representation did not increase monitoring for partners with known capacity issues and/or implementation challenges nor projects assessed as being risky, e.g. construction.

44. A partner involved in rehabilitation activities in the transit centres in the western region could not provide the bills of quantity for the construction work and, in consequence, OIOS could not determine whether the work done was in line with the agreement. OIOS however noted that the work was visibly not completed to an acceptable standard; for example, the walls were not straight and were damp months after completion of the construction due to the absorption of water. Another partner had utilized the 2017 outstanding balances for 2018 project activities; however, this was not authorized by the Representation and was not allowed in UNHCR rules. At a third partner, vehicle hire costs amounting to $4,592 were not supported by valid evidence. These issues were not identified by the multifunctional monitoring team.

45. As already highlighted in sections above, OIOS noted that the partners' project performance indicators were not aligned to the Representation's overall indicators and targets, and it was therefore impossible to see how the implementation by different partners contributed to the Representation's overall programme performance. OIOS also did not see evidence of the Representation's follow-up and resolution of external auditors' recommendations. Unutilized funds by partners at the end of the project period were not refunded as required in the UNHCR rules. As at 31 May 2018, reported receivables from partners for the years 2015 to 2017 amounted to $1,704,208; with the largest balance being $1,582,896 for 2017, and $121,311 remaining outstanding for over a year.

46. The weaknesses in partnership and project management were extensively reported in the OIOS Report 2014/084 "Audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees". OIOS noted that although its recommendation on partnership management in that audit report was closed based on evidence from UNHCR that the issues had been resolved, the current audit could not confirm sufficient sustainable improvement in controls. Given that this was a recurring finding, there was a need for the Bureau for Africa to actively monitor the implementation of sustained corrective action.

47. The issues cited above were caused by several reasons which collectively resulted in a weak control environment: the IPMC did not undertake the necessary due diligence during the selection of partners; the Programme Unit did not establish the necessary controls for managing project partnerships; and the multi-functional monitoring team did not discharge its duties so as to identify key project risks for mitigation. Thus, the Representation was exposed to the risk of loss of project funds and partners' failure to implement project activities effectively.

(4) The UNHCR Representation in Côte d'Ivoire should strengthen its partner selection, capacity building and monitoring processes to ensure that: (i) selected partners can provide services to persons of concern effectively; (ii) it liquidates pending receivables from past years' projects; and (iii) it puts in place measures to recover from partners all ineligible and unauthorized project costs.

UNHCR accepted recommendation 4 and stated the Representation had recovered 2017 project receivables from partners. The capacity building and monitoring plans were being finalized and would involve strengthening the capacity of the main government partner to whom the Representation intended to handover voluntary repatriation and refugee activities as per its mandate. Recommendation 4 remains open pending receipt of documentary evidence of: (i) development of capacity building and monitoring plans for partners; (ii) liquidation of remaining pending receivables from past years; and (iii) recovery of ineligible and unauthorized project costs.

IV. ACKNOWLEDGEMENT

48. 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

ANNEX I

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical[1]/ Important[2]	C/ O[3]	Actions needed to close recommendation	Implementation date[4]
1	The UNHCR Representation in Côte d'Ivoire, with the support of the Regional Representation for West Africa, the Bureau for Africa and the Statelessness Unit in the Division of International Protection at headquarters, should update its multi-year country level statelessness strategy and develop an implementation plan to scale up related activities to meet its 2024 target of eradicating statelessness.	Important	O	Submission to OIOS of: (i) the finalized statelessness strategy; and (ii) an implementation plan detailing how activities will be scaled up to meet the statelessness targets.	31 March 2019
2	The UNHCR Representation in Côte d'Ivoire, in collaboration with the Regional Representation for West Africa. should prepare an exit strategy that: (i) clarifies the number of refugees still interested in being repatriated, contains a road map for their repatriation, and identifies the most effective way of repatriating them; and (ii) includes measures to streamline reintegration assistance into the country's National Development Plan with development actors.	Important	O	Submission to OIOS of evidence of: (i) the preparation of a cost-effectiveness analysis of selected repatriation modalities for the remaining caseload in line with the approved roadmap; and (ii) viable and sustainable inclusion of reintegration assistance in the National Development Plan.	31 March 2019
3	The UNHCR Representation in Côte d'Ivoire should strengthen its management oversight over Cash-Based Interventions (CBI) by developing, implementing and monitoring a local CBI strategy, informed by a documented needs assessment, as well as related standard operating procedures that ensure compliance with the UNHCR administrative	Important	O	Submission to OIOS of: (i) the finalized CBI strategy informed by a needs assessment; and (ii) updated SOPs related to CBI.	31 January 2019

[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.
[3] C = closed, O = open
[4] Date provided by UNHCR in response to recommendations.

ANNEX I

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees

	instructions for CBI and accountability for the use of the resources.				
4	The UNHCR Representation in Côte d'Ivoire should strengthen its partner selection, capacity building and monitoring processes to ensure that: (i) selected partners can provide services to persons of concern effectively; (ii) it liquidates pending receivables from past years' projects; and (iii) it puts in place measures to recover from partners all ineligible and unauthorized project costs.	Important	O	Submission to OIOS of documentary evidence of: (i) development of capacity building and monitoring plans for partners; (ii) liquidation of remaining pending receivables from past years; and (iii) recovery of ineligible and unauthorized project costs.	30 June 2019

APPENDIX I

Management Response

APPENDIX I

Management Response

Audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Important[1]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Côte d'Ivoire, with the support of the Regional Representation for West Africa, the Bureau for Africa and the Statelessness Unit in the Division of International Protection at headquarters, should update its multi-year country level statelessness strategy and develop an implementation plan to scale up related activities to meet its 2024 target of eradicating statelessness.	Important	Yes	Deputy Representative Senior Protection Officer	March 2019	UNHCR Cote d'Ivoire agrees with this recommendation and is in the process of updating its multi-year country level Statelessness Strategy through the support of the Regional Representation for West Africa and Africa Bureau to meet the 2024 High Commissioner's target of eradicating statelessness. This update will be made in line with the outcome of the statelessness mapping exercise currently being finalized.
2	The UNHCR Representation in Côte d'Ivoire, in collaboration with the Regional Representation for West Africa. should prepare an exit strategy that: (i) clarifies the number of refugees still interested in being repatriated, contains a road map for their repatriation, and identifies the most effective way of repatriating them; and (ii) includes measures to streamline reintegration assistance into the country's National Development Plan with development actors.	Important	Yes	Senior Protection Officer ii. Deputy Representative	December 2018	UNHCR Cote d'Ivoire Representation considers that appropriate action has been taken to fully implement this recommendation. UNHCR Cote d'Ivoire Representation supported the main Ivorian government partner to organize a regional conference on durable solutions for Ivorian refugees in Abidjan from 27 to 29 November 2018. In addition to various Ivorian senior government officials from different lines ministries, senior managers from the Africa Bureau, Regional Representation and Representatives and government officials from asylum countries attended this meeting and agreed to move from facilitation to promotion of voluntary

[1] 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.

Rec. no.	Recommendation	Important[1]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						repatriation and developed an eighteen (18) months road map to repatriate or locally integrate the remaining Ivorian refugee caseload situation as also recommended by the 2018 Ex-Com discussions held between Cote d'Ivoire, asylum countries and UNHCR senior management at the regional representation and HQ. The office had succeeded to advocate that the National Development Plan include returnees.
3	The UNHCR Representation in Côte d'Ivoire should strengthen its management oversight over Cash-Based Interventions (CBI) by developing, implementing and monitoring a local CBI strategy, informed by a documented needs assessment, as well as related standard operating procedures that ensure compliance with the UNHCR administrative instructions for CBI and accountability for the use of the resources.	Important	Yes	Deputy Representative	January 2019	UNHCR Cote d'Ivoire Representation will complete its local CBI strategy by the end of January 2019. The Operation has attached the evaluation report on the assessment carried out and relevant SOPs have been attached for CBI interventions.
4	The UNHCR Representation in Côte d'Ivoire should strengthen its partner selection, capacity building and monitoring processes to ensure that: (i) selected partners can provide services to persons of concern effectively; (ii) it liquidates pending receivables from past years' projects; and (iii) it puts in place measures to recover from partners all ineligible and unauthorized project costs.	Important	Yes	Deputy Representative	i. January 2019 ii. December 2018 iii. June 2019	UNHCR Cote d'Ivoire representation agrees with this recommendation. The recommendation is partially implemented. The office has recovered all prior year project receivables from partners. The capacity building and monitoring plans is being finalized and will involve strengthening the capacity of the main government partner to whom the Representation intends to handover

Rec. no.	Recommendation	Important[1]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						voluntary repatriation and refugee activities as per its mandate