



INTERNAL AUDIT DIVISION

REPORT 2019/002

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

**There was a critical need to strengthen
controls over cash assistance to persons of
concern; however, the Representation
subsequently took action to implement the
recommendation**

**24 January 2019
Assignment No. AR2018/141/01**

Audit of the operations in Afghanistan 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 Afghanistan for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the Representation was managing the delivery of services to persons of concern in a cost-effective manner and in compliance with UNHCR's policy requirements. The audit covered the period from 1 January 2017 to 31 March 2018 and included a review of: (a) security from violence and exploitation; (b) partnership management; (c) cash-based interventions (CBI); (d) distribution of non-food items (NFIs) and warehouse management; (e) community-based protection measures; and (f) procurement and vendor management.

The Representation needed to more effectively integrate risk management into its operations management cycle and strengthen compliance mechanisms across all areas reviewed in this audit. In particular, there was a critical need for the Representation to strengthen internal controls over the management of the CBI programme. The Representation also needed to finalize procedures on protection monitoring over security from violence and exploitation, partnership management, distribution of NFIs, warehouse management, community-based protection measures, procurement and vendor management, and security and staff safety.

OIOS made one critical recommendation and seven important recommendations. To address issues identified in the audit, the Representation needed to:

- Finalize the information management strategy and standard operating procedures for protection monitoring over security from violence and exploitation of persons of concern, and undertake systematic detention monitoring;
- Ensure that the conclusion of project partnership agreements is more timely, enhance partners' capacity to undertake procurement using UNHCR funds, and link the results of project performance monitoring reports and project financial reports to support decision-making in the project cycle;
- Strengthen controls over the cash assistance programme to ensure that: targeting and selection of beneficiaries include vulnerable persons of concern; anti-fraud measures and remote monitoring tools are implemented; regular reconciliations between cash disbursements and beneficiary distribution lists are performed; and the impact of the programme is comprehensively assessed (**critical**);
- Implement procedures for systematic on-site and remote monitoring to address weaknesses in the distribution of NFIs, reconcile the quantities of NFIs distributed with those issued from the warehouses against the waybills, and conduct regular post-distribution monitoring;
- Dispose of obsolete and non-moving inventory, and strengthen management of fuel storage;
- Monitor the implementation of the community-based protection measures strategy, and conduct an independent assessment to determine the impact the strategy has achieved;
- Implement effective controls over procurement and vendor management, procure an alternate service provider for distribution of cash, review the contract terms and conditions for security services of unarmed guards, and review security expenditure for cost effectiveness; and
- Address the remaining security control weaknesses, and ensure that the landlord of the new premises completes the pending work as per the contractual obligations.

UNHCR accepted the recommendations, has taken satisfactory action to implement six of them, and initiated action to implement the remaining two recommendations.

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Audit of the operations in Afghanistan 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 Afghanistan for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The Representation in Afghanistan (hereinafter referred to as ‘the Representation’) was established in 1988. For 2017-2019, the Representation’s strategic priorities were to deliver four key protection goals: (a) promoting the protection of civilians in hard to reach areas, including high intensity conflict affected areas; (b) enhancing the capacity of communities and reducing vulnerability of newly displaced internally displaced persons (IDPs) and recent refugee returnees; (c) promoting dignity and access to basic services in areas of high return and displacement; and (d) ensuring the effective protection of asylum-seekers and refugees. The Representation had a total of 3,948,887 persons of concern as of March 2018 encompassing some 80,350 refugees and asylum-seekers, about 2,587,500 IDPs, and 1,281,037 returnees.
3. The Representation was headed by a Representative at the D-2 level and supported by a Deputy Representative, Assistant Representative (Administration) and Senior Operations Manager. As of April 2018, it had 241 authorized posts, comprising 26 international staff and 215 local staff. The Representation had a Country Office in Kabul, two Sub Offices in Jalalabad and Mazar-i-Sharif, three Field Offices in Khost, Kandahar and Herat, and three Field Units in Kunduz, Kabul, and Bamyan.
4. The Representation had total expenditure of \$69.4 million in 2017 and a budget of \$56.0 million for 2018. To implement its projects, the Representation worked with 29 partners in 2017 with total expenditure of \$14.5 million. In 2018, it worked with 24 partners with a budget of \$10.4 million.
5. Comments provided by the Representation are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess whether the Representation was managing the delivery of services to persons of concern in a cost-effective manner and in compliance with UNHCR’s policy requirements.
7. The audit was included in the 2018 risk-based work plan of OIOS due to the risks associated with managing an operation dealing with an increasing number of persons of concern spread across the country and a deteriorating security situation in Afghanistan.
8. OIOS conducted this audit from April to August 2018. The audit covered the period from 1 January 2017 to 31 March 2018. Based on an activity-level risk assessment, the audit covered higher risk areas, which included: (a) security from violence and exploitation; (b) partnership management; (c) cash based interventions (CBI); (d) distribution of non-food items (NFIs) and warehouse management; (e) community-based protection measures; and (f) procurement and vendor management. For security and staff safety, a follow-up review of the implementation of previous audit recommendations was undertaken.
9. The audit methodology included: (a) interviews of key personnel; (b) review of relevant documentation; (c) sample testing of controls; (d) 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; and (e) visits to the Representation's Country Office in Kabul, the Sub Offices in Jalalabad and Mazar-i-Sharif, the offices of seven selected partners implementing UNHCR projects, and selected project sites and warehouses.

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

III. AUDIT RESULTS

A. Security from violence and exploitation

There was a need to strengthen the management of key protection risks

11. In order to effectively protect persons of concern from violence and exploitation, UNHCR protection policies require the Representation to: (a) prevent and respond to incidents of sexual and gender based violence (SGBV) through a coordinated multi-sector approach that ensures equal participation of women, men, girls and boys in planning, implementing, monitoring and evaluating programmes; and (b) co-ordinate with the host Government and other humanitarian agencies to treat persons deprived of their rights with dignity and monitor instances of detention and other protection gaps.

12. The Representation developed a Multi-Year Protection Strategy for 2017-2019. As a member of the Humanitarian Country Team, it led the protection cluster and actively participated in the Gender Based Violence sub-cluster. The Representation responded to SGBV incidents in cooperation with specialized protection and health actors and the Government line ministries. It monitored returnees and IDPs at different stages of their return and displacement, conducted focus group discussions with communities and household level assessments, and phone and community surveys to assess needs and vulnerabilities. The Representation mainstreamed gender analysis in its protection monitoring and provided SGBV survivors with medical, legal, or economic assistance. The Representation also increased the overall operations budget allocation for SGBV from \$164,500 in 2017 to \$420,000 in 2018.

13. However, based on discussions with UNHCR protection and field staff and the cluster coordinator, review of strategic documents, the corporate risk register, mission reports, protection monitoring data and SGBV casefiles, OIOS identified control weaknesses in the following areas:

- Although the Representation had finalized and promulgated an information management strategy in June 2018, it had not finalized updating accompanying standard operating procedures (SOPs) on protection monitoring to ensure a harmonized approach to monitoring and collection of information on protection issues, including SGBV, across the country.
- In 2017, due to lack of access, the Representation did not monitor those refugees and asylum seekers who had been detained. As of May 2018, the partner selected to conduct monitoring on behalf of the Representation had not received the necessary Government authorizations to start monitoring detention centres. In response to initial audit findings, the Representation raised this issue with the Government through a Note Verbale, but prior to the audit it had not sufficiently escalated the important issue of its lack of access to the detention centres.
- A review of eight SGBV casefiles indicated that these cases were documented using protection monitoring templates as expected; however, the necessary follow-up actions had not been systematically recorded in the files since 2016.

14. The above weaknesses happened as the Representation had not proactively managed some of its key protection risks. As a result, reasonable assurance could not be provided that its protection priorities

related to SGBV and detention were implemented through adequate systems and procedures; in particular, that the existing mechanisms supported evidence-based programming and advocacy decisions that would lead to better protection outcomes for persons of concern.

(1) The UNHCR Representation in Afghanistan should strengthen its risk management processes over security from violence and exploitation and ensure that: (a) the information management strategy and standard operating procedures for protection monitoring are finalized and systematically applied across the country; (b) detention monitoring is systematically undertaken; and (c) updates to sexual and gender based violence cases are systematically recorded in the relevant case files.

UNHCR accepted recommendation 1 and stated that the Representation: (a) developed the information management strategy and SOPs for protection monitoring to ensure country-wide harmonization; (b) selected a national non-governmental organization to undertake monitoring of detention facilities on behalf of UNHCR. The partner obtained the necessary authorization from the Government of Afghanistan and started undertaking detention monitoring; and (c) began implementing the practice of recording actions on SGBV cases, including documenting such actions in the Persons with Specific Needs database and requiring partners involved in SGBV case management to maintain the case files. Based on the action taken and documentary evidence provided by UNHCR, recommendation 1 has been closed.

B. Partnership management

There was a need to strengthen controls over the management of projects implemented through partners

15. In order to achieve the expected project results through the use of partners, it is essential for the Representation to: (a) select or retain partners through a transparent and objective process; (b) sign well developed Project Partnership Agreements (PPAs) with partners before the start of the project year; and (c) monitor project activities and expenditures through a risk-based and multi-functional approach.

16. Selection of partners: The Representation established a multi-functional Implementing Partnership Management Committee (IPMC) for the selection of partners for 2017 and 2018. The Representation followed the relevant UNHCR procedures which included the IPMC scoring the shortlisted partners based on pre-established criteria. OIOS concluded that the selection process was effectively managed.

17. Project agreements: The previous two OIOS audits of UNHCR operations in Afghanistan in 2013 and 2015 had raised a critical need for the Representation to strengthen controls over the timely signing of PPAs. Although OIOS closed the previous recommendations based on documentary evidence, the gaps in the delay in signing PPAs before the start of the project year continued to persist. For example: (a) for 2017, the Representation signed 20 of the 64 PPAs (or 37 per cent) between January and June 2017; and (b) for 2018, at the time of audit in May 2018, 3 out of 28 PPAs for 2018 had not been concluded. As a result of the delays in 2017, a Government partner could not complete its planned project as envisaged, and this resulted in an unspent project balance of \$46,451 which the Representation had not yet recovered from the partner.

18. Procurement using UNHCR funds: The Representation designated procurement involving \$7.1 million to 22 partners in 2017 and to 9 partners in 2018 totalling \$8.3 million. In all these cases the Representation conducted the required cost benefit analysis and procurement capacity assessment. However, OIOS review of procurement undertaken by six partners indicated that three of them did not follow their procurement procedures, which UNHCR had authorized them to use. For example, one partner

procured goods using a request for quotation method instead of the required invitation to bid method, and used its Bidding Committee instead of the Technical Evaluation Committee to technically evaluate the proposals received for purchase of construction materials which ended up costing \$51,450.

19. Monitoring of partners: The Representation developed a risk-based performance monitoring plan for 2017 and 2018. Also, it conducted financial verification exercises and monitored performance of partner projects using a multi-functional team approach as recommended in the previous OIOS audit in 2015. However, there were some remaining gaps; for example, the Representation did not ensure that key weaknesses identified in its project financial reports and performance monitoring reports were followed up and considered in the project management cycle such as when reviewing partners for retention.

20. In the view of OIOS, although the Representation had made improvements since the previous audit in its controls over partnership management, it had not yet adequately addressed some of the systemic control weaknesses in the conclusion of PPAs, review of partner procurement, and project performance monitoring. As a result, the Representation continued to be exposed to risks of failure to adequately and effectively achieve its intended project objectives of delivering services to persons of concern in a timely manner. Whilst the audit was ongoing, the Representation prepared a plan of action with timelines to ensure that PPAs are signed in a timely manner for 2019 projects. It also recovered the outstanding project receivable of \$46,451 from the Government partner.

(2) The UNHCR Representation in Afghanistan should further strengthen management oversight over partnership management to ensure that: (a) the recurring weaknesses in timely conclusion of project partnership agreements are addressed; (b) partners' capacity to undertake procurement is enhanced; and (c) results of project performance monitoring reports and project financial reports are linked to support decision-making in the project operational cycle.

UNHCR accepted recommendation 2 and stated that the Representation had ensured that all PPAs for 2019 were signed in a timely manner. It also organized a one-week workshop for partners in June 2018 on procurement procedures. In addition, two partners with qualified audit reports were not retained, and the Representation was working with a third partner to ensure its capacity was enhanced. The Representation also strengthened procedures to ensure that the results of project performance reports and financial reports were duly considered and supported decision making in the project operational cycle, including with regard to decisions on partner retention. Based on the action taken and documentary evidence provided by UNHCR, recommendation 2 has been closed.

C. Cash based interventions

There was a critical need for the Representation to strengthen controls, including anti-fraud measures, over the management of the cash assistance programme

21. To ensure proper delivery of its cash assistance programme to the most vulnerable persons of concern, the Representation is required to: (a) effectively plan and design the programme based on a feasibility assessment and a risk assessment; (b) develop SOPs governing the selection of beneficiaries and monitoring and disbursement of cash assistance, which also cover anti-fraud measures; and (c) undertake post-distribution assessments to evaluate the impact of the programme.

22. During 2017, the Representation provided repatriation cash grants to 58,817 returnees, winterization grants to 48,817 families to cover heating costs, and cash assistance to 7,401 persons with specific needs (PSN). The total value of this assistance in 2017 was \$21.3 million. The Representation had

developed online tools to manage the winterization grants and the PSN assistance process. Further, the Representation contracted a licensed money trader to deliver cash assistance to the beneficiaries.

23. OIOS assessed the controls over the cash assistance programme through discussions with key staff, review of the various SOPs and guidelines, visits to two encashment centres and three partners implementing the programme, and analysis of beneficiary data including disbursements to 6,915 vulnerable families and 3,068 returnees. The review identified control weaknesses in the following areas:

- The Representation applied a targeting approach for its CBI programme, which excluded certain persons of concerns based on the year of their return or displacement. For example, its PSN programme excluded those who had returned or become internally displaced prior to 2014 and its winterization grant excluded those who had returned or become internally displaced before 2017. However, by adopting this approach, in OIOS' view, there was a risk that the Representation was not properly capturing all of the most vulnerable persons of concern with its different cash assistance schemes, regardless of when they had become persons of concern to UNHCR. This was contrary to the approach taken on the repatriation cash grant programme, where the Representation provided assistance to refugees based on their status as returnees and not on an assessment of their needs. The Representation explained that all the returning refugees had needs to pay for transportation costs, as well as initial humanitarian or reintegration needs, which were reflected in returnee monitoring reports. Thus, needs were justified as returning refugees were required to cross borders from one country to another one. Secondly, the governments of two refugee hosting countries strongly supported the need for repatriation grants to be paid to all the returnees as a means to ensure their safe and durable return and reintegration.
- The Representation did not ensure that all partners documented the assessment and selection of the identified beneficiaries eligible to receive the winterization grant. For example, partners reported that 74,550 cases were assessed; however, the online tool had data for only 47,994 cases (or 64 per cent). Through a review of data for 16 beneficiaries living in a province where UNHCR had access restrictions, OIOS identified that in 14 cases the Global Positioning System coordinates did not match the location of the beneficiary reported by the partner. Thus, there was a high likelihood that the 48,817 families that were reported by UNHCR to have received the winterization grant did not all receive it. Similarly, the partners did not update the assisted PSN cases in the PSN database (only 49 per cent were recorded) and also did not follow up on these cases to document the effectiveness of the assistance provided.
- The Representation had identified risk treatment measures in its risk register to mitigate the risk of fraud in distributing 67 per cent of the cash in inaccessible areas of the country. However, it had not implemented all the identified actions, as it was not systematically applying remote monitoring mechanisms, and the planned Fraud Committee meetings did not take place.
- The Representation reimbursed \$1.1 million to a money trader for cash distributed to 5,351 families in Nangarhar province in 2017. However, the final distribution report from the money trader indicated that 5,345 families had received the cash assistance, representing a discrepancy related to 6 families totaling \$1,200. The Representation later conducted an internal review and verification of the total CBI distributed and explained that whereas the CBI distributed in Nangarhar differed from the CBI distribution report, the result of the review indicated that the cash for the 6 families in Nangarhar was distributed instead to 6 families in Laghman province. It established that there was no financial loss since there was a net-off between the two provinces. OIOS reiterates that this arrangement of the money trader netting off cash amounts without prior approval indicated a weakness in the Representation's reconciliation process, which was a key control for the CBI programme.
- The Representation had not done any post-distribution monitoring of its PSN and winterization cash assistance programmes to assess the impact and effectiveness of the cash-based interventions

in view of informing the design of the 2019 programme. However, it contracted in February 2018 an independent agency to undertake an evaluation of the repatriation cash grant programme, and the evaluation report was finalized in August 2018. The study noted that 28 per cent of the households who did not meet the vulnerability threshold received winterization assistance and that the field teams were not able to calculate vulnerability scores for proper assessment but aid was distributed to every household on the provided list or at the discretion of the field team. In addition, according to the survey data, approximately 7 per cent of intended beneficiaries were excluded from the programme due to lack of a comprehensive assessment.

24. The above weaknesses occurred because the Representation had not put in place appropriate management supervision and oversight arrangements over its CBI programme. As a result, for 36 per cent of the cases, the absence of information in the online tool made it impossible to confirm whether the reported beneficiary met the winterization assistance targeting criteria or even if the correct person received the assistance. Together with weaknesses in reconciliations and post-distribution monitoring this meant that the Representation was exposed to significant fraud risks and the possibility that its cash interventions would not reach the intended beneficiaries in greatest need. Given the high financial value of the cash assistance programme of over \$21 million in 2017 and that cash was a modality through which the Representation intended to serve multiple needs of persons of concern, OIOS considers these weaknesses to be critical.

(3) The UNHCR Representation in Afghanistan should strengthen control measures over its cash assistance programme, including its management supervision and oversight, to ensure that: (a) the targeting and selection of beneficiaries include vulnerable persons of concern; (b) anti-fraud measures and remote monitoring tools are implemented; (c) regular reconciliations between cash disbursements and beneficiary distribution lists are performed; and (d) the impact of the programme is comprehensively assessed to inform the design of the 2019 programme.

UNHCR accepted recommendation 3 and stated that the Representation took the following actions to strengthen CBI programming: (a) updated the SOPs for “Strengthening the Protection Environment for Persons with Specific Needs” and established criteria for distribution of CBIs for refugee returnees based on their status to cover the costs of transportation to the place of return and to facilitate the initial process of reintegration; (b) put in place procedures to better oversee the CBI distribution to ensure that eligible beneficiaries receive the cash assistance. The Representation also enhanced the winterization programme with on-site third-party monitoring where UNHCR staff cannot be present at the distribution location for security reasons, and developed and distributed leaflets in local languages to beneficiaries informing them of the purpose of the assistance, the amount, as well as the complaint mechanisms. For the cash grant component of the PSN programme, a Case Management Committee was established to decide on the assistance to be provided based on vulnerability; (c) implemented reconciliation procedures to ensure the accuracy of cash disbursements; and (d) implemented the relevant recommendations in the two evaluations studies on cash distribution undertaken in 2018 to inform the CBI project plans and design for 2019. Based on the action taken and evidence provided by UNHCR, recommendation 3 has been closed.

D. Distribution of non-food items and warehouse management

There was a need for the Representation to address recurring weaknesses in the distribution of NFIs

25. In order to ensure delivery of NFIs in a timely manner to the intended beneficiaries of concern, it is important for the Representation to: (a) establish beneficiary targeting criteria; (b) develop and deliver a

distribution plan that is suitably communicated to recipients; and (c) conduct post-distribution monitoring and reconciliations to ensure items have reached the intended beneficiaries.

26. The Representation distributed NFIs (mainly tents, bedding materials, household items, medical and hygienic supplies, and construction materials) valued at \$8.8 million during the period from 1 January 2017 to 31 March 2018. It developed SOPs to regulate NFI distribution and reconciliation. It also developed Procurement Planning and Distribution Guidelines for management of minimum stock of NFIs.

27. For 2017 and the first four months of 2018, the Representation reported having assisted 90,067 families with the provision of basic NFIs through four partners. However, it did not have adequate evidence to support that all these beneficiaries met the predetermined vulnerability criteria. OIOS review also indicated the following:

- The Representation had not verified refugees and recorded the resulting individual registration data in proGres, the UNHCR registration system, for those residing in the Paktika province during the period of audit. The last verification done in 2016 by a partner indicated that there were 35,949 refugees (7,630 families) in Paktika, but the only proof of registration available to the refugees was a household ration card, which was used to deliver assistance.
- In 2017, the Representation distributed blankets and firewood valued at \$378,000 to 5,498 refugee families in Paktika as part of the winterization programme. However, it did not follow up on several complaints of irregularities it received from persons of concern and other actors regarding the distribution of blankets undertaken by a partner (the Representation argued this was due to access restrictions in the Paktika province). As a result, the Representation continued to be exposed to increased risk of the blankets and firewood or other NFIs not reaching the intended beneficiaries, including the possibility of misappropriation.
- In 2017, the Representation distributed NFIs to 128,188 new IDPs and provided winter assistance items to 54,315 vulnerable families (55 per cent of the total target in the country). However, it did not reconcile the total quantity of NFIs distributed against the quantities on the waybills.
- The Representation did not conduct any post-distribution monitoring of NFIs in the audit period.

28. In its previous 2015 audit, OIOS had identified similar control weaknesses in NFI distribution planning, documentation of the decisions of the beneficiary selection process, and procedures for reconciliation of NFIs. The Representation had not taken sustained actions to address these recurring weaknesses despite the fact that NFI distribution was an area prone to a range of risks, including fraud risks. Due to the persistently weak controls, OIOS concluded that the Representation could not accurately account for NFIs amounting to \$8.8 million reported as distributed during the audit period.

(4) The UNHCR Representation in Afghanistan should address the recurring weaknesses in the distribution of non-food items by: (a) putting in place appropriate risk management mechanisms; (b) implementing procedures for systematic on-site and remote monitoring; (c) reconciling the quantities distributed with those issued from the warehouses against the waybills; and (d) conducting regular post-distribution monitoring.

UNHCR accepted recommendation 4 and stated that the Representation: (a) developed a distribution plan for NFIs which would ultimately inform the procurement plan; (b) ensured the presence of UNHCR staff in monitoring the distribution of NFIs in areas that are accessible within security restrictions. For areas that are not accessible, a third-party monitoring mechanism was in place through government counterparts and Emergency Shelter and NFI Cluster focal persons at the field level; (c) established a process flow to ensure appropriate reconciliation between NFIs released from UNHCR stocks and the quantities distributed by the partners; and (d) conducted post-

distribution monitoring for 2017 NFI distributions. Based on the action taken and documentary evidence provided by UNHCR, recommendation 4 has been closed.

The Representation needed to strengthen the management of its warehouses and controls over fuel

29. Effective management of NFIs stored in warehouses requires ensuring suitable record keeping and establishing appropriate physical controls. The Representation maintained five warehouses with a total capacity of 19,624 square meters in five locations (Herat, Jalalabad, Kabul, Kandahar and Mazar-i-Sharif). It ensured, in collaboration with the Supply Management and Logistics Service at headquarters, that the inventories in these warehouses were adequately insured. In 2017, it spent \$756,073 on the management of all these warehouses through a partner and had budgeted \$504,357 for it for 2018. It also maintained, through partners, eight intermediary storage facilities to cater for emergency needs of new IDPs.

30. The Representation had not taken action to dispose of 1.6 metric tonnes of nails in the Mazar-i-Sharif warehouse. These nails were non-moving inventory lying in the warehouse since 2002. In addition, the Representation had 95 old ridge tents in its Kabul warehouse which were obsolete and needed to be processed for disposal. In Jalalabad, the Representation had not recorded in MSRP household items that had been transferred from an old warehouse. Also, in Jalalabad, the location of two fuel storage tanks of 15,000 liters did not meet the required safety norms, and the Representation had not ensured the partner was equipped to measure and monitor the amount of fuel in the storage tanks.

(5) The UNHCR Representation in Afghanistan should ensure that obsolete and non-moving inventory is disposed of, and fuel storage tanks in Jalalabad are relocated and their fuel levels monitored.

UNHCR accepted recommendation 5 and stated that the Representation had conducted multiple auctions of inventory that generated a total revenue of \$103,480. It also disposed of 95 obsolete tents through destruction and released the 1.6 metric tonnes of nails in Mazar-e Sharif to a partner to be used for the UNHCR shelter programme in the Northern Region. The safety measures related to the two fuel storage tanks in Jalalabad were re-assessed and a brick masonry wall was built around the tanks. In addition, the Representation re-calibrated the fuel tanks in Jalalabad and purchased the necessary fuel-measuring equipment. The Representation also developed and implemented a "Fuel Receive and Release Procedure" to aid in the monitoring of the quantity of fuel in tanks country-wide. Based on the action taken and documentary evidence provided by UNHCR, recommendation 5 has been closed.

E. Community-based protection measures

There was a need to strengthen controls over community-based protection measures programming

31. The Representation spent \$8.3 million in 2017 and had a budget of \$10.3 million in 2018 to deliver community empowerment and self-reliance activities through an integrated community-based approach to address protection risks and provide solutions for persons of concern. The Representation aligned its community-based protection measures (CPM) programming with UNHCR's global livelihoods principles, the Solutions Strategy for Afghan Refugees, and the Government of Afghanistan's Policy Framework for returnees and IDPs. The Representation had a Senior Livelihoods Officer and designated a focal person in each Field and Sub Office to coordinate the planning and implementation of CPM.

32. OIOS review of planning and implementation of CPM activities and visits to two projects each in Kabul and Mazar-i-Sharif implemented through partners indicated the following:

- The Representation adopted the CPM approach to implementing its activities in mid-2017; however, it had not developed impact and performance indicators to reflect the new approach.
- Field offices did not track and report on the progress made by partners against the project plans and timelines. For example, OIOS visit to a road gravelling project noted that although constructed, it did not meet all the project objectives, such as enabling improved access of the community to markets.
- The Representation had not conducted an independent assessment to evaluate the impact of the CPM activities and to inform its 2018 CPM strategy.

33. The above shortcomings were due to the transition of programming from quick impact livelihoods projects to CPM in 2017 and lack of independent evaluation to ascertain the impact on the targeted population and the effectiveness of the CPM measures. This could increase the risk of failure by the Representation to meet the intended programme objectives.

(6) The UNHCR Representation in Afghanistan should: (a) further strengthen the capacities of its field staff and partner staff to implement and effectively monitor the community based protection measures (CPM) strategy; and (b) conduct an independent assessment to determine the impact made through completed CPM interventions and to inform its 2018 CPM strategy.

UNHCR accepted recommendation 6 and stated that the Representation held a one-week capacity building workshop on CPM for its staff and its partners in September 2018. In addition, three national CPM focal points attended a CPM training in Baku, Azerbaijan in October 2018 to enhance collective understanding. The Representation had also planned to conduct an assessment of the impact of CPM interventions in 2018; however, due to security concerns and challenges in identifying a qualified partner there was a delay in carrying out the assessment. The planned assessment, once completed, would inform the 2019-2020 CPM programme. The Representation shared the draft terms of reference for the assessment with the Evaluation Unit at headquarters and the Regional Bureau for Asia and the Pacific. Recommendation 6 remains open pending receipt of the finalized impact assessment of the CPM interventions.

F. Procurement and vendor management

There was a need for the Representation to ensure systematic compliance with the procurement rules to ensure the integrity of the procurement process, and strengthen its vendor management systems

34. In order to ensure the integrity of the procurement process and that UNHCR receives value for money for the acquisition of goods and services to support its operations, it is necessary for the Representation to: (a) prepare an annual procurement plan according to identified needs; (b) establish an effective vendor management system; (c) initiate timely procurement activities in accordance with the procurement plan; and (d) ensure adequate oversight over the procurement activities by establishing a Local Committee on Contracts (LCC).

Procurement management

35. The Representation had prepared annual procurement plans for 2017 and 2018 but these plans did not include any procurement requirements for administrative purposes. For 2018, while the audit was ongoing, the Representation revised the procurement plan for 2018.

36. OIOS review of documentation such as: MSRP reports, LCC minutes and a random sample of six non-purchase order vouchers totalling \$574,308, and 62 purchase orders worth \$10.6 million, representing 57.5 per cent of the total procurement volume of \$24.4 million during the audit period showed the following:

- The Representation processed 113 payment vouchers totaling \$1.1 million where the purchase orders were raised after receipt of the invoices or on the same date as the invoice for various goods and services. Moreover, it did not issue a purchase order for 169 payments for \$20.9 million to a vendor managing cash distributions to persons of concern.
- The Representation did not apply the four-week minimum bidding period required for the invitation to bid in 57 cases involving \$6.5 million. It also invited between two to six vendors to bid as opposed to the required minimum of eight vendors in 15 of the 57 cases reviewed. The Representation's Technical Evaluation Committee did not follow the selection criteria specified in the invitation to bid for the procurement of goods and services totaling \$167,808.
- In 2017, the Headquarters Committee on Contracts (HCC) recommended to the Representation to test a qualified backup Money Service Provider involved in the distribution of cash to persons of concern to reduce costs and encourage more market players and competition, but at the time of the audit the Representation had not implemented this recommendation.
- The Representation did not ensure that the terms and conditions of the contract signed with a security contractor providing unarmed guards were kept confidential from unauthorized persons and that the contractor observed the duty of care towards its staff, such as ensuring that it paid salaries in timely manner and that a fair rate was charged. The Representation had agreed to pay the contractor \$547 per guard and \$640 per supervisor. However, OIOS review of the employment contracts indicated that about \$250 or 45 per cent of the amount the contractor charged the Representation was paid to the guards and \$323 or 50 per cent of the amount the contractor charged the Representation was paid to the supervisors.
- Following a security incident on 30 May 2017 which caused damage to the UNHCR office infrastructure, the Representation relocated in December 2017 its Country Office in Kabul to a new compound. As required under the country security risk measures, the Representation contracted an international private security company for the provision of internal armed guards within the compound. OIOS review of the contract and procurement process indicated that although the HCC had approved the contract, there were flaws in the procurement process, such as lack of clear criteria in the technical evaluation of the contract, which resulted in an increase in the number of armed guards from 26 to 44 in addition to a new compound security manager. The Representation's security expenditure in 2017 increased to \$11.9 million, however; it had budgeted only \$8.9 million for 2018, resulting in a funding gap of \$3.0 million. The Representation had originally indicated that it would engage with other United Nations agencies to join the new compound to partially recover the increased security costs through a cost sharing mechanism. However, as of May 2018, it had not secured commitment from any of the United Nations agencies in Kabul.

Vendor management

37. The Representation worked with only 146 of the 1,983 approved vendors registered in the MSRP vendor database. It had established a Vendor Review Committee (VRC) at its Country Office in Kabul to facilitate and oversee controls over vendor management; however, it had not properly maintained the vendor files and there were 429 duplicated records of vendor account details in the database. In consequence, transactions involving over \$109,839 were paid to two bank accounts of a vendor with a similar name but different vendor identification numbers. The Representation explained that this was due to multiple staff being assigned with the responsibility for creation of vendors in the database. In OIOS opinion, this issue needed further review by the Representation to ensure there was no risk of fraud.

38. The above control weaknesses exposed the Representation to financial and reputational risks, which OIOS associated mainly with inadequate management supervision over procurement activities and vendor management. Whilst the audit was ongoing, the Representation updated its vendor database, issued a guidance note on procurement for staff involved in procurement and vendor management and stated that it had continued to engage other United Nations sister agencies to join the new compound for security cost effectiveness. It also initiated negotiations with the alternate service provider for distributing cash to persons of concern. It further initiated negotiations through the United Nations procurement forum to explore the possibility of increasing the salary of the guards and indicated that it ensured all contractual documents are properly kept in locked cabinets and accessed by authorized staff to enhance confidentiality in contract management.

(7) The UNHCR Representation in Afghanistan should develop an action plan to ensure that: (a) effective controls over procurement and vendor management are in place and their application is systematically monitored; (b) the Headquarters Committee on Contract recommendation with regard to use of alternate service provider for distribution of cash are fully implemented; (c) the contract terms and conditions for security services of unarmed guards are reviewed and kept confidential; and (d) security expenditure is reviewed for cost effectiveness by reviewing the terms and conditions of the contract for provision of the internal armed guards, and engaging with other United Nations agencies to join the new UNHCR compound to reduce security costs.

UNHCR accepted recommendation 7 and stated that the Representation: (a) issued a Guidance Note on the procurement processes and procedures; (b) identified a back-up Money Service Provider; (c) held discussions with the service provider of unarmed guards on the need to respect the terms and conditions of the signed contract and to follow the local labour laws by ensuring that salary paid to staff is not below the minimum local wage; and (d) advocated for other United Nations agencies to join UNHCR in the new compound, as a result of which some United Nations agencies started moving to the compound at the beginning of 2019. Furthermore, the Representation planned to join the new tendering which would be launched by another United Nations agency in 2019, in order to harmonize the security service costs paid by the United Nations system in Afghanistan. Recommendation 7 remains open pending receipt of evidence of conclusions of the engagement with other United Nations agencies to share the security costs.

G. Security and staff safety

Outstanding security weaknesses needed to be addressed

39. It is essential for operations to adopt a risk management approach balancing the criticality of programmes and associated dangers to staff based on a reasonable determination of acceptable risk. The Representation is also required to ensure full compliance with the Minimum Operating Security Standards (MOSS) including those related to security coordination and staff training and awareness.

40. The Representation conducted a Fire Risk Assessment, an annual Compound Security Risk Assessment and a Survey of all UNHCR premises in Afghanistan which indicated that all the premises were MOSS compliant. It ensured that key security drills were regularly conducted and that the staff completed the mandatory security trainings and had the required standard Personnel Protection Equipment.

41. However, the Representation had not completed a blast mitigation assessment and installed smoke detectors and a public announcement system with a siren at its new premises in Kabul, as recommended in

the January 2018 Fire Risk Assessment and Compound Security Risk Assessment and Survey. In addition, the Representation had not ensured that staff in Kandahar and Bamyan were certified in the use of emergency trauma bags and that all international staff in Jalalabad used the Very High Frequency Radio to do the radio check instead of using mobile phones which defeated the main purpose of radio checks. The Representation stated that the landlord was facing delays in importing some of the equipment to complete the pending work at the new premises.

(8) The UNHCR Representation in Afghanistan should put in place an action plan with clear timelines for addressing the remaining security weaknesses and ensure that the landlord of the new premises completes the pending work as per the contractual obligations.

UNHCR accepted recommendation 8 and stated that the Representation had taken the following actions: (a) conducted a blast mitigation assessment exercise in December 2018; (b) installed smoke detectors in the accommodation area as well as in the office building; and (c) installed an alarm system including a public address system. Earlier the Representation had informed OIOS that one staff from Kandahar was certified in the use of emergency trauma bags and that it had initiated measures to ensure that all international staff based in Kabul, Mazar-i-Sharif, Jalalabad and Khost conducted radio checks. Based on the action taken and documentary evidence provided by UNHCR, recommendation 8 has been closed.

IV. ACKNOWLEDGEMENT

42. 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 Afghanistan 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 Afghanistan should strengthen its risk management processes over security from violence and exploitation of persons of concern and ensure that: (a) the information management strategy and standard operating procedures for protection monitoring are finalized and systematically applied across the country; (b) detention monitoring is systematically undertaken; and (c) updates to sexual and gender based violence cases are systematically recorded in the relevant case files.	Important	C	Action completed	Implemented
2.	The UNHCR Representation in Afghanistan should further strengthen management oversight over partnership management to ensure that: (a) the recurring weaknesses in timely conclusion of project partnership agreements are addressed; (b) partners' capacity to undertake procurement is enhanced; and (c) results of project performance monitoring reports and project financial reports of partners are linked to support decision-making in the project operational cycle.	Important	C	Action completed	Implemented
3.	The UNHCR Representation in Afghanistan should strengthen control measures over its cash assistance programme, including in terms of management supervision and oversight, to ensure that: (a) the targeting and selection of beneficiaries include vulnerable persons of concern; (b) anti-fraud	Critical	C	Action completed	Implemented

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.

STATUS OF AUDIT RECOMMENDATIONS

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

	measures and remote monitoring tools are implemented; (c) regular reconciliations between cash disbursements and beneficiary distribution lists are performed; and (d) the impact of the programme is comprehensively assessed to inform the design of the 2019 programme.				
4.	The UNHCR Representation in Afghanistan should address the recurring weaknesses in the distribution of non-food items by: (a) putting in place appropriate risk management mechanisms; (b) implementing procedures for systematic on-site and remote monitoring; (c) reconciling the quantities distributed with those issued from the warehouses against the waybills; and (d) conducting regular post-distribution monitoring.	Important	C	Action completed	Implemented
5.	The UNHCR Representation in Afghanistan should ensure that obsolete and non-moving inventory is disposed of, and fuel storage tanks in Jalalabad are relocated and their fuel levels monitored.	Important	C	Action completed	Implemented
6.	The UNHCR Representation in Afghanistan should: (a) further strengthen the capacities of its field staff and partner staff to implement and effectively monitor the community based protection measures (CPM) strategy; and (b) conduct an independent assessment to determine the impact made through completed CPM interventions and to inform its 2018 CPM strategy.	Important	O	Submission to OIOS of a copy of the finalized impact assessment of the CPM interventions	31 July 2019
7.	The UNHCR Representation in Afghanistan should develop an action plan to ensure that: (a) effective controls over procurement and vendor management are in place and their application is systematically monitored; (b) the Headquarters Committee on Contract recommendations with regard to use of alternate service provider for distribution of cash are implemented; (c) the contract terms and conditions for security services of unarmed guards are reviewed	Important	O	Submission to OIOS of evidence of conclusions of the engagement with other United Nations agencies to share the security costs	31 March 2019

STATUS OF AUDIT RECOMMENDATIONS

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

	and kept confidential; and (d) the security expenditure is reviewed for cost effectiveness.				
8.	The UNHCR Representation in Afghanistan should put in place an action plan with clear timelines for addressing the remaining security weaknesses and ensure that the landlord of the new premises completes the pending work as per the contractual obligations.	Important	C	Action completed	Implemented

APPENDIX I

Management Response

Management Response

Audit of the operations in Afghanistan 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 Afghanistan should strengthen its risk management processes over security from violence and exploitation of persons of concern and ensure that: (a) the information management strategy and standard operating procedures for protection monitoring are finalized and systematically applied across the country; (b) detention monitoring is systematically undertaken; and (c) updates to sexual and gender based violence cases are systematically recorded in the relevant case files.	Important	Yes	Senior Protection Officer	Completed January 2019	(a) Information management strategy and Standard Operating Procedures (SOPs) for protection monitoring to ensure country-wide harmonization have been developed and shared and applied by all staff in the operation. (b) As UNHCR does not have direct access to detention facilities (due to security reasons) a national NGO partner has been selected through formal IPMC procedures to undertake these functions on behalf of UNHCR. The partner has obtained the necessary authorization from the Government and is undertaking detention monitoring. (c) The Representation has reminded all offices in the operation of the importance of recording actions on SGBV cases. Actions taken and documentation relating to case handling are uploaded in the Persons with Specific Needs (PSN) database, as well as in the case files (for refugees and asylum-seekers for whom we have case records). Partners involved in SGBV case management also maintain case files. The Representation has implemented the practice of recording actions on SGBV cases.
2.	The UNHCR Representation in Afghanistan should further strengthen management oversight over partnership	Important	Yes	Senior Programme Officer	Completed January 2019	(a) Implementation of procedures for the timely conclusion of PPAs has improved significantly and the Representation signed 26 PPAs for 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.

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	management to ensure that: (a) the recurring weaknesses in timely conclusion of project partnership agreements are addressed; (b) partners' capacity to undertake procurement is enhanced; and (c) results of project performance monitoring reports and project financial reports of partners are linked to support decision-making in the project operational cycle.					<p>by December 2018 and 2 PPAs signed by 2nd January 2019.</p> <p>(b) A one-week workshop for partners was organized from 25-28 June 2018, including one full day on procurement procedures. In addition, two Programme Partnership Agreements (PPAs) with qualified audit reports were not retained and the Representation's Programme and Project Control Units are working with the partner to ensure its capacity is systematically enhanced. The Representation will continue to monitor the performance of all partners, and should any not meet expectations consideration will be given to removing the procurement component from the PPA (in favor of direct procurement by UNHCR).</p> <p>(c) The Representation has strengthened procedures to ensure the results of project performance reports and financial reports are duly considered and support decision making in the project operational cycle, including with regard to decisions on partner retention. To ensure compliance, the Representation has since October 2017 centralized the IPMC process at the Kabul level for all PPAs countrywide. As a result of this recommendation the Representation has linked both performance and financial management of partners when deciding to retain/not retain them in 2019. Some partners with weak financial management have not been retained/ retained conditionally to improve on the identified weaknesses.</p>
3.	The UNHCR Representation in Afghanistan should strengthen control measures over its cash assistance programme, including in terms	Critical	Yes	Senior Programme Officer	Completed January 2019	As a result of the audit finding and review of our CBI controls, the Representation has developed CBI SOPs as well as shared Post Distribution Monitoring reports for the auditors' review. The SOPs for "Strengthening the Protection Environment for Persons with Specific

Rec. no.	Recommendation	Critical ¹ / Important ₂	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	<p>of management supervision and oversight, to ensure that: (a) the targeting and selection of beneficiaries include vulnerable persons of concern; (b) anti-fraud measures and remote monitoring tools are implemented; (c) regular reconciliations between cash disbursements and beneficiary distribution lists are performed; and (d) the impact of the programme is comprehensively assessed to inform the design of the 2019 programme.</p>					<p>Needs” have been updated in January 2019 as well, with a view to improve their effectiveness.</p> <p>In the case of refugee returnees, CBIs are provided under the Voluntary Repatriation Programme which targets all refugee returnees to meet their specific needs and vulnerabilities as returning refugees., The CBIs are intended to cover the costs of transportation to the place of return and to facilitate the initial process of reintegration as stipulated in the Tripartite Agreements signed in December 2017 as an ongoing practice endorsed since 2002 by the High Commissioner.</p> <p>(a) Under its winterization cash grant programme the Representation has applied a vulnerability-based approach, as per the SOPs for PSNs, to the distribution of CBIs, where anti-fraud measures and remote monitoring tools have been implemented. For example, every cash distribution made by a contracted money service provider (MSP) is done based on a list of identified vulnerable individuals provided by UNHCR, following a comprehensive assessment of needs carried out at the field level. Similarly, for the cash grant component of the Persons with Specific Needs (PSN) programme, a Case Management Committee decides on the assistance to be provided based on a recommendation (following assessment) of vulnerability prepared by UNHCR and/or our partners, including the amount to be paid to the beneficiary. Decisions of the committee are then reviewed and endorsed by UNHCR, upon which the partner is authorized to distribute the approved amount to the beneficiary. As mentioned in the above, the PSN SOPs have been</p>

Rec. no.	Recommendation	Critical ¹ / Important ₂	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>updated in January 2019 for improved effectiveness.</p> <p>(b) As an anti-fraud measure, UNHCR and/or the partner staff, together with a representatives of the government, oversee the distribution to ensure the eligible beneficiaries receive the cash assistance. UNHCR field offices conduct spot check interviews with 10% of beneficiaries who received winterization assistance in order to confirm the beneficiary selection. The Representation has enhanced the 2018 winterization programme with on-site third-party monitoring where UNHCR staff cannot be present at the distribution location due to security reasons. In this case, NGOs have been identified and will be present on site to monitor the distribution process along with the focal persons from the Emergency Shelter and Non-Food Items (ES/NFI) Cluster. The NGO partners selected for on-site distribution monitoring co-sign the distribution documents along with government counterparts in order to ensure anti-fraud measures and monitoring tools are implemented. In addition, UNHCR distributed leaflets in local languages to beneficiaries, during assessment and distribution of assistance, informing them of the purpose of the assistance, the amount, as well as the complaint mechanism (including for PSEA) in place.</p> <p>(c) The Representation has improved implementation of reconciliation procedures to ensure the accuracy of cash disbursements. The operation introduced a two-level reconciliation process: one-to-one reconciliation at the field office level, followed by detailed reconciliation by the Country Office on weekly basis upon receiving all scanned copies of the supporting</p>

Rec. no.	Recommendation	Critical ¹ / Important ₂	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>documents. With regard to the comment in Para 22, 4th bullet point, which claims a discrepancy in reconciliation of an amount of US\$ 1,200 for 6 families in Nangarhar province, the Representation provided distributions lists as well as coupons relating to a Non-PO Voucher which clearly shows that 7,240 Heads of Household received assistance in 4 provinces therefore the correct amount of cash was distributed by the MSP and properly reconciled without any financial loss.</p> <p>(d) The Representation has implemented relevant recommendations in the two evaluations on cash concluded in 2018: (i) an evaluation of cash grants provided under the Voluntary Repatriation programme by the Afghanistan Holding Group; (ii) post distribution monitoring report on the 2017-2018 winterization programme conducted by Orange Door Research. The reports confirmed the appropriateness of the current return cash amount, and suggested to increase CPM interventions to reduce dependency on aid, both validated the strategic directions of the operation, and have been reflected in the 2019 planning. With regard to the programme design, as per the recommendation of the return cash evaluation, returnees tracking has been systematically put in place through a service provider; in line with the recommendation from the 2017-2018 winterization evaluation, an assessment tool is 100% applied for all household assessment in the 2018-2019 winterization to increase oversight and mitigate the risks of errors and fraud.</p>
4.	The UNHCR Representation in Afghanistan should address the recurring weaknesses in the	Important	Yes	Senior Programme Officer	Completed January 2019	(a) Following the 2015 audit, the Representation developed a distribution plan for NFIs which ultimately informs the procurement plan.

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	distribution of non-food items by: (a) putting in place appropriate risk management mechanisms; (b) implementing procedures for systematic on-site and remote monitoring; (c) reconciling the quantities distributed with those issued from the warehouses against the waybills; and (d) conducting regular post-distribution monitoring.					<p>(b) As mentioned above, the Representation ensures the presence of UNHCR staff for monitoring the distribution of NFIs in areas that are accessible within security restrictions. For areas that are not accessible, a third-party monitoring mechanism is in place through government counterparts and ES/NFI Cluster focal persons at the field level, who together are present on site to monitor the distribution process and co-sign the distribution documents for reconciliation.</p> <p>(c) Following the 2015 audit, the Representation established a process flow to ensure appropriate reconciliation between NFIs released on waybills from UNHCR stocks and the quantities distributed by the partners.</p> <p>(d) PDM for 2017 NFI distribution was undertaken by UNHCR field staff in accessible areas, while in areas not accessible to UNHCR this was done by ES/NFI Cluster partners. Additionally, a PDM report on UNHCR's 2018 winterization programme was conducted by UNHCR's partner; the report is finalized and published. The PDM for NFI distribution to IDPs in Kabul and Balkh provinces was conducted by UNHCR, Care and Directorate of Refugees and Repatriations.</p>
5.	The UNHCR Representation in Afghanistan should ensure that obsolete and non-moving inventory is disposed of, and fuel storage tanks in Jalalabad are relocated and their fuel levels monitored.	Important	Yes	Senior Supply Officer	Completed- January 2019	<p>The Representation has taken the following actions with respect to this recommendation:</p> <p>(a) Multiple auctions were conducted in 2017 and 2018 that generated a total revenue of USD 103,480.</p> <p>(b) Disposal of the 95 obsolete tents was undertaken through destruction.</p> <p>(c) The 1.6 metric tonnes of nails in stock in Sub-Office Mazar-e Sharif were released to a partner to be used for the UNHCR shelter programme in the Northern Region.</p>

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>(d) The safety measures related to the two fuel storage tanks in Sub-Office Jalalabad were re-assessed and, as part of the technical recommendation, a brick masonry wall was built around the tanks.</p> <p>(e) The surplus household items from an old warehouse in Jalalabad were distributed.</p> <p>With regard to the fuel tanks in Sub-Office Jalalabad, the Representation has re-calibrated the fuel tanks as recommended. The procedure for monitoring the quantity of fuel in the tanks has been developed and implemented.</p>
6.	The UNHCR Representation in Afghanistan should: (a) further strengthen the capacities of its field staff and partner staff to implement and effectively monitor the community based protection measures (CPM) strategy; and (b) conduct an independent assessment to determine the impact made through completed CPM interventions and to inform its 2018 CPM strategy.	Important	Yes	Deputy Representative	Completed- January 2019 31 July 2019	<p>(a) A one-week capacity building workshop on CPM for Representation staff and partners was held on 16-20 September 2018. In addition, three national CPM focal points attended a CPM training in Baku, Azerbaijan from 23-25 October 2018. These focal points will transfer the knowledge they learn to both UNHCR and partner staff to further enhance collective understanding and to ensure effective implementation and monitoring of the CPM strategy and programme.</p> <p>(b) An independent assessment of the impact of CPM interventions had been planned for 2018, which was delayed due to security concerns and challenges in identifying an appropriately qualified partner to carry out the assessment. The Representation will ensure the assessment is completed as soon as possible and the recommendations will inform the 2019-2020 CPM programme. The draft terms of reference for the assessment has been prepared and shared with the Evaluation Unit in headquarters. Given the complexity of this evaluation, the Operation is working together with the Evaluation Unit and the Bureau to finalize it.</p>

Rec. no.	Recommendation	Critical/ Important 2	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
7.	The UNHCR Representation in Afghanistan should develop an action plan to ensure that: (a) effective controls over procurement and vendor management are in place and their application is systematically monitored; (b) the Headquarters Committee on Contract recommendations with regard to use of alternate service provider for distribution of cash are implemented; (c) the contract terms and conditions for security services of unarmed guards are reviewed and kept confidential; and (d) the security expenditure is reviewed for cost effectiveness.	Important	Yes	Senior Supply Officer	Completed- January 2019	<p>a) The Representation issued a Guidance Note on 5 June 2018 emphasizing the procurement processes and procedures to ensure effective implementation of UNHCR's supply and financial management rules and procedures. This guidance includes: (i) adhering to the recommended minimum four-week timeframe for tenders; (ii) the appropriate number of vendors to be invited in the cases of closed tendering; (iii) and the formal establishment of the technical evaluation committees prior to the opening of the bids. Vendor management remains a priority for the operation where continuous efforts, e.g. holding monthly Vendor Review Committee meetings to further improve the measure that are in place. The issue of duplicated vendors has been addressed.</p> <p>b) A back-up Money Service Provider (MSP) has been identified to the primary MSP whose services have been rated satisfactory.</p> <p>c) The issue of salaries for unarmed guards was discussed with the service provider. The Representation reminded the service provider to respect the terms and conditions of the signed contract and also to follow scrupulously the local labor laws by ensuring that salary paid to its staff is not below the minimum local wage. The Representation has immediately installed lockable cabinets where all the procurement files/documents are properly kept to enhance confidentiality. Further, access to electronic contractual documents is limited to authorized personnel.</p> <p>d) The Representation has strongly advocated for other United Nations agencies to join UNHCR in the new compound, this initiative was supported by SRSR during the SMT meeting, as result</p>

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>some United Nations agencies have started moving to the new compound in the beginning of the year 2019. This should, in principle, lower the overall security costs to UNHCR. Furthermore, the Representation will join the new tendering which will be lunched by United Nation agency in 2019 in order to harmonize the security service costs paid by the United Nations system in Afghanistan.</p>
8.	<p>The UNHCR Representation in Afghanistan should put in place an action plan with clear timelines for addressing the remaining security weaknesses and ensure that the landlord of the new premises completes the pending work as per the contractual obligations.</p>	Important	Yes	Senior Field Safety Advisor	Completed- January 2019	<p>The Representation has taken the following actions with regard to this recommendation.</p> <p>(a) Blast mitigation assessment exercise was conducted from 3–6 December 2018. The report has been shared with UNDSS and other UN Agencies whom have shown interest in relocating to UNHCR -new compound.</p> <p>(b) Installation of smoke detectors: Smoke detectors were installed in the accommodation area as well as in the office building.</p> <p>Installation of a public announcement system with a siren: An alarm system including a public address system has been installed and tested during a bunker drill.</p>