



INTERNAL AUDIT DIVISION

REPORT 2020/028

Audit of the operations in the Democratic Republic of the Congo for the Office of the United Nations High Commissioner for Refugees

**There was a need to strengthen the
arrangements to respond to emergencies in
an effective manner and in compliance with
UNHCR's policy requirements**

23 September 2020

Assignment No. AR2019-111-03

Audit of the operations in the Democratic Republic of the Congo 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 the Democratic Republic of the Congo (DRC) 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 DRC was managing the delivery of services to its persons of concern (PoCs) in a cost-effective manner and in accordance with UNHCR's policy requirements, with due regard to the risks that it was exposed to in the context in which it was operating. The audit covered the period from 1 January 2018 to 30 June 2019 and included a review of: (a) planning and resource allocation; (b) emergency preparedness and response; (c) shelter and settlement; (d) security from violence and exploitation; (e) health; and (f) procurement and contract management activities.

The Representation was not adequately prepared for the Level 2 and 3 emergencies, impacting its ability to respond expeditiously and in a cost-effective manner, and provide necessary assistance to its beneficiaries in a timely manner.

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

- Review the Representation's organigram to clarify delegated responsibilities, strengthen oversight over Sub and Field Offices, and enhance the identification and mitigation of risks;
- Strengthen the strategic and operational planning processes in the Representation;
- Review the Representation's capacity and strengthen its preparedness to respond in a timely and cost-effective manner to emergencies;
- Increase the Representation's capacity to plan, design and implement its shelter programmes in a cost-effective manner;
- Develop a strategy and standard operating procedures for prevention of and response to sexual and gender-based violence;
- Develop appropriate strategies and standard operating procedures to direct the delivery of health services to PoCs through implementing partners; and
- Strengthen the supply function capacity and processes.

UNHCR accepted the recommendations, implemented one of them, and initiated action to implement the remaining six recommendations.

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Audit of the operations in the Democratic Republic of the Congo 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 the Democratic Republic of the Congo (DRC) for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. The UNHCR Representation in DRC (hereinafter referred to as ‘the Representation’) was established in 1975 to provide persons of concern (PoCs) with international protection, humanitarian assistance and durable solutions, where feasible. As at 30 November 2019, the Representation reported that it assisted 523,907 refugees and asylum seekers; 41 per cent of them from Rwanda, 32 per cent from Central Africa Republic, 16 per cent from South Sudan, and 9 per cent from Burundi. There were also an estimated 5.5 million internally displaced persons (IDPs) in DRC. Furthermore, at the end of November 2019, there were an estimated 890,044 refugees from DRC residing in over 13 countries. The Representation had primary and shared responsibilities over refugees and IDPs respectively.

3. The Representation’s focus was on preserving access to territorial asylum and international protection, improving the protection and solutions environment, achieving minimum standards in the provision of multi-sectoral assistance, fostering economic self-reliance and durable solutions, and promoting social cohesion and peaceful co-existence for refugees and host communities. UNHCR declared a level three (L3) IDP emergency in the Kasai region in October 2017 due to civil unrest. The declaration was deactivated in April 2018. UNHCR also declared a level two (L2) IDP emergency in Ituri and North Kivu in August 2018 that was escalated to L3 in November 2019. The Representation recorded total expenditure of \$92 million in 2018 and had an operating budget of \$98 million for 2019. It worked with 28 partners in 2018 and 22 in 2019, who implemented 67 and 63 per cent respectively of the operating level budget.

4. The Representation was headed by a Representative at the D-2 level who was overseeing the operations in DRC and the neighbouring countries of the Republic of Congo, Gabon, Equatorial Guinea and São Tomé and Príncipe. The Representation also coordinated the response to Congolese refugees in nine countries within the region. The Representation had 492 regular staff posts and 59 affiliate staff as at 30 June 2019. It had a Country Office in Kinshasa, five Sub-Offices in Gbadolite, Goma, Aru, Kananga and Lubumbashi, as well as 12 Field Offices/Units.

5. Comments provided by UNHCR 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 its PoCs in a cost-effective manner and in accordance with UNHCR’s policy requirements, with due regard to the risks that it was exposed to in the context in which it was operating.

7. This audit was included in the 2019 risk-based work plan of OIOS due to the challenges in the Representation’s operational capacity to deal with more than one emergency and the large number of PoCs.

8. OIOS conducted this audit from October 2019 to January 2020. The audit covered the period from 1 January 2018 to 30 June 2019. Based on an activity-level risk assessment, the audit covered higher and

medium risk areas, which included: (a) planning and resource allocation; (b) emergency preparedness and response; (c) shelter and settlement; (d) security from violence and exploitation; (e) health; and (f) procurement and contract management. Through the review of the above-mentioned areas, OIOS also drew overall conclusions about the control environment and the effectiveness of enterprise risk management (ERM) in the Representation.

9. 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, performance data from Focus, the UNHCR results-based management system, and PoC data from ProGres, the UNHCR enterprise registration and case management tool; (d) sample testing of controls; (e) visits to the Country Office in Kinshasa, Sub-Offices in Goma and Gbadolite, Field Offices in Baraka and Bunia, and the offices of selected partners; and (f) observation of programme activities in refugee and IDP sites.

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

III. AUDIT RESULTS

A. Risk management and control environment

The Representation needed to reinforce its accountability mechanisms and enhance risk management

11. The Representation operated a complex operating environment characterized by multiple and increasing displacement of persons within the country (IDPs) and from others moving out and in of the country (refugees and returnees). Due to limitations in the Government's structures, resources and capacity, the Representation remained largely responsible for delivering services to the PoCs regardless of their stages of displacement. It also operated in a vast country with limited infrastructure which impacted the timely delivery of services and resulted in very high logistics costs.

12. As part of its emergency responses, the Representation opened and closed 11 and 7 offices respectively in the audit period. This was very costly and resulted in an organigram and a staffing structure that was constantly changing which affected continuity of service delivery. Furthermore, the Representation decentralized some functions to its Sub-Offices to deliver services to PoCs in a more cost-effective manner. However, this decision did not include procurement which was a missed opportunity to address the Representation's well-known distribution challenges and related high costs. Moreover, the Representation's inadequate oversight over Sub-Offices and partners (implementing 65 per cent of its programme budget) resulted in sub-optimal delivery of services to PoCs as noted in the thematic sections of the report.

13. The Representation had inadequate staff resources to effectively deliver services to PoCs, more so during emergencies. Several positions also remained vacant including some that should have been supervising affiliate staff. The Representation attributed this situation to challenges in identifying qualified French-speaking candidates for the affected positions. Thus, the Representation continuously used staff on temporary assignment, which not only impacted the continuity of services but also raised a risk of limited commitment to the job and weakened internal controls.

14. The complex environment within which the Representation operated called for effective identification and mitigation of risks. However, the Senior Risk Management and Compliance Advisor position had not been filled since its creation in April 2018, as the Representation in collaboration with the

ERM Unit faced challenges in identifying a suitable candidate. Consequently, the Representation's risk register was not comprehensive; with key risks, such as inadequate funding and staff resources not identified for mitigation. The basis for the risk ratings was unclear and inconsistent, and mitigating actions for some risks rated as high were outstanding, although the deadlines had passed.

15. The recurrence of issues that were raised in OIOS' 2015 audit report (AR/2015/110/01) reflected that weaknesses remained pervasive and that there was no sustained improvement in controls. This was in the areas of performance monitoring, procurement and contracts management, fuel management, and opening and closure of offices. Unless the weaknesses in the risk and control environment are addressed, the Representation may not be able to deliver services to PoCs in a cost-effective manner, safeguard resources and achieve its strategic objectives.

(1) The UNHCR Representation in the Democratic Republic of the Congo should: (i) review its organigram so that it is structured appropriately; (ii) reinforce accountability mechanisms by clarifying delegated responsibilities and strengthening supervision of Sub and Field Offices; (iii) strengthen oversight of implementing partners; and (iv) enhance the quality of the risk register and its active use in the operations management cycle.

UNHCR accepted recommendation 1 and stated that: (i) the Representation had implemented a revised structure in April 2020 and a new organigram was effective from 1 July 2020; (ii) the Delegation of Authority Plan had been updated; (iii) the Representation had established standard operating procedures (SOPs) at the Country and Sub-Office levels to enforce accountability; (iv) the Senior Risk Management and Compliance Advisor joined the Representation at the beginning of 2020, and the Representation had taken steps to review and update the risk register; and (v) multi-functional teams had been established. Recommendation 1 remains open pending receipt of the updated risk register.

B. Planning and resource allocation

The Representation needed to strengthen its strategic and operational planning

16. The Representation's timely delivery of services to PoCs and host communities was greatly constrained by limited resources and the country's poor infrastructure. The ever-increasing needs in a resource constrained environment called for strengthened strategic planning. However, the Representation had not developed a multi-year, multi partner protection and solutions strategy, and therefore, missed the opportunity to bring key stakeholders together to develop a longer-term vision to prioritize protection solutions in a sustainable way.

17. While the Representation had an overarching protection strategy (2017-2019) that was generally aligned to the UNHCR global strategic objectives, its effectiveness had not been evaluated or updated for 2020 and beyond. The Representation also did not have operational strategies for delivering its programmes in areas like sexual and gender-based violence (SGBV), shelter and child protection, and the strategies in place for water sanitation and hygiene and public health were not aligned to its 2017-2019 protection strategy.

18. The Representation's operational planning processes were not fully effective, as it had not conducted participatory assessments for some refugee caseloads to obtain a good understanding of their protection needs, and where conducted, the results were not incorporated in its planning process. Additionally, the Representation's PoC data was both incomplete and incorrect because of the lack of country-wide system to record IDP numbers and its inclusion of Rwandese persons that UNHCR was no longer assisting. Also, processes to register PoCs so that data would remain up to date, were impacted by

outdated SOPs and limited staff capacity. A national staff member in Musenda was solely responsible for registering 45,000 refugees and without hands-on supervision.

19. The gap between operational needs and available budgets increased over the years, with the Representation receiving only 25 per cent of its requirements for 2019. Also, the modest annual increases in budgets were not commensurate with the rise in PoC numbers. The Representation's high logistics, staff and administrative costs left only 38 per cent of its 2019 funding for programme delivery to PoCs. The Representation's resource allocation was also not aligned to its strategic priorities with only 15 per cent of its 2019 programme budgets allocated to the seven priority areas listed in its protection strategy. This in OIOS' view needed to be reviewed and revised to ensure mandated activities were implemented.

20. Additionally, the Focus system lacked credible information to measure performance and assess effectiveness of the implementation of the Representation's programmes. OIOS questioned the accuracy of data reported due to inconsistencies in: (a) the indicators, targets and results listed in Focus; and (b) numbers listed in Focus and other systems e.g. the SGBV information system. Also, partners' indicators and targets were not linked to the corporate ones in Focus, which raised questions on their contribution to the achievement of the Representation's strategic objectives. Furthermore, the Representation did not analyze reasons for non-performance and take appropriate action to address it. For example, no action was taken to address the fact that only 25-45 per cent of rape victims got post-exposure prophylaxis kits.

21. In a complicated operating environment and with limited resources, the lack of coherent strategic direction impacted not only PoCs' access to required protection, but also quality of services provided.

(2) The UNHCR Representation in the Democratic Republic of the Congo should take action to strengthen its strategic and operational planning processes, as well as its prioritization of needs and resource allocation, to ensure cost-effective programme implementation.

UNHCR accepted recommendation 2 and stated that the Representation: (i) was developing the multi-year, multi partner strategy which would be finalized by January 2021; (ii) had taken measures to strengthen the strategic planning processes including the comprehensive assessments of PoC needs and validation of related data; (iii) finalized a consolidated report for participatory assessments following the age, gender and diversity approach for 2019 and 2020 for all population groups, as well as developed materials to better guide planning; (iv) was engaged in a detailed review of resources allocation in order to ensure compliance and harmonization of standards of assistance; and (v) was working on a new database system that would guide performance and impact monitoring. Recommendation 2 remains open pending receipt of evidence of: (i) finalization of the multi-year, multi partner protection and solutions strategy; (ii) measures taken to strengthen the strategic planning process, e.g. comprehensive assessments of PoC needs and validation of related data; (iii) alignment of resource allocation with the Representation's strategic priorities; (iv) actions taken to strengthen performance reporting in Focus; and (v) updated operational strategies.

C. Emergency preparedness and response

Emergency preparedness planning needed to be improved

22. In 2019 alone, 11 displacements in the Kasai, Tanganyika, Ituri and Kivu regions in DRC resulted in an estimated six million IDPs. Considering the tremendous resultant needs and its limited capacity and resources, the Representation was unable to respond to all displacements, but it also lacked criteria to support its determination of which ones to respond to, and if so, its level of engagement.

23. Despite the escalation of conflict in 2019, the Representation's risk rating in the High Alert List for Emergency Preparedness (HALEP) remained as medium as of May 2019 implying that it had sufficient capacity and preparedness to respond to displacements. However, a Joint Senior Level Mission conducted in September 2019 assessed its rating as high i.e. lacking capacity and being insufficiently prepared and, therefore requiring corporate support to effectively respond to the Kasai IDP displacements. This resulted in the declaration of the L3 emergency on 29 November 2019 and the subsequent deployment of emergency staff and mobilization of additional resources. The declaration of the L3 emergency however happened six months after the initial displacements and this adversely affected the timeliness of the scale-up of support needed to respond effectively.

24. The limited preparedness by the Representation mainly resulted as it did not: (a) have a documented risk analysis to inform its HALEP rating; (b) conduct comprehensive minimum and advanced preparedness assessments to support the definition of arrangements required for an effective emergency response; (c) develop a scenario-based contingency plan for displacements in eastern DRC; and (d) have a business continuity plan to ensure continued operations in high-risk security areas like Bunia. It should also be noted that the UNHCR Evaluation Service's report (issued in December 2018) concluded that the Representation's limited preparedness was a key impediment to its response to the L3 Kasai emergency. The lessons learned resulting from the evaluation had however not been incorporated in the Representation's emergency planning at the time of the audit.

25. The Representation's limited preparedness resulted in delays in the provision of assistance to PoCs, for example: (i) the initial response to the shelter needs of 221,993 IDPs in Beni happened nine months after their displacement; (ii) the set-up of the IDP site for 300,000 IDPs in Bunia was completed 13 months after their displacement; (iii) 402,300 Congolese refugees expelled from Angola only received multipurpose grants nine months after their arrival and (iv) non-food items (NFIs) only reached IDPs six months after the displacements. Despite well-known challenges, costs and delays related to the distribution of NFIs, the Representation did not prioritize the alternative to use of cash-based interventions (CBI) for service delivery.

26. The Representation attributed the issues cited above to inadequate resources and capacity. It further noted that the reduced capacity among government counterparts to coordinate the IDP response resulted in the Representation's role having to move from one of facilitator to implementer. The Representation was also working with a wide range of actors under the cluster system, but it lacked clarity on when to take over implementation as a provider of last resort when sector lead agencies failed to deliver on their programmes. OIOS was of the view that the gaps could have been better managed with better emergency planning and strengthened coordination at the cluster level.

(3) The UNHCR Regional Bureau for Southern Africa should, in collaboration with the Division of Emergency, Security and Supply, review the capacity of the UNHCR Representation in the Democratic Republic of the Congo to execute its required functions during emergencies that include emergency preparedness, resource deployments and adequate coordination at cluster level.

UNHCR accepted recommendation 3 and stated that: (i) in line with global guidance from the Division of Emergency, Security and Supply (DESS), on emergency preparedness, the Representation in DRC would not prepare emergency preparedness plans for the DRC's IDP operation but would update the February 2019 Framework for IDP Emergency responses to improve response times and predictability by September 2020, using the lessons learned and best practices to strengthen coordination among offices in areas affected by cyclical displacement; and (ii) the Representation would continue to improve NFI stock management and build on existing partnerships with CBI partners so that both modalities can contribute to a more predictable, flexible and fraud resistant emergency response.

Recommendation 3 remains open pending receipt of evidence of: (i) implementation of an action plan developed in conjunction with DESS and the Bureau for Southern Africa to address the Representation's capacity and responsiveness to cyclical displacements; and (ii) the revised framework for IDP emergency responses in accordance with UNHCR policies.

D. Shelter and settlement

There was a need to strengthen controls over shelter programmes

27. The Representation's shelter related expenditure was \$10.1 million in 2018 and 2019. It had developed strategies only for two of the four existing caseloads, and even in these cases, they were not sufficiently comprehensive. For instance, the strategies did not: (a) have shelter solutions to transition PoCs from emergency assistance to interim/permanent stages of displacement. In Inke camp, PoCs continued living in emergency shelters beyond the prescribed six-month period and were thus exposed to health and safety risks; (b) have clear beneficiary selection criteria, especially for vulnerable PoCs and this resulted in inequitable allocation of shelters as IDP families received the same shelter size regardless of family size; and (c) follow UNHCR's model specifications which created inefficiencies as a family of three received a 26 square meter unit as opposed to the standard of 10.5.

28. The Representation also lacked SOPs to guide the implementation of the shelter programme. Consequently, the lack of proper designs and estimated costs resulted in some shelters constructed in North Kivu and Ituri regions not having doors and windows. The designs had also not considered the risk of deforestation as PoCs obtained wood for construction from nearby forests. Additionally, the payment of subsequent disbursements before PoCs met agreed upon milestones impacted their motivation to complete constructions per set standards in the Inke refugee camp. Although these issues had been flagged in the 2018 Ituri shelter needs assessments, the designs had not been rectified at the time of the audit.

29. Poor strategic planning for the shelter programme was a contributing factor to the Representation's limited programme coverage with it only providing shelter assistance to 91,923 of the 1.3 million PoCs in need in 2019. There were also delays, with most IDPs in Kamonia and Beni receiving shelters up to 12 months after their initial displacement. While the Representation had identified, and prioritized inadequate shelter response in its risk register, the proposed action did not address the underlying risk factors.

30. The above resulted mainly due to inadequate emergency planning as previously mentioned, and lack of staffing capacity in regions like Ituri, which had the most IDPs and where most of the shelter activities took place.

(4) The UNHCR Representation in the Democratic Republic of the Congo should take action to increase its capacity to plan, design and implement its shelter programmes in a cost-effective manner.

UNHCR accepted recommendation 4 and stated that: (i) shelter strategies, SOPs and guidance were updated annually to respond to changing needs and for closer working relationships with Protection, Cash, Camp Coordination and Camp Management Cluster and other technical units; (ii) the Representation was reinforcing its shelter staffing, with 13 positions already filled, in addition to a series of trainings for new and existing shelter staff to ensure consistency of approach throughout the operation; (iii) the Representation updated its comprehensive response strategy for contextualized shelter for refugees living in camps or with host communities to guide all Sub and Field offices; and (iii) SOPs had been updated to indicate the selection criteria for beneficiaries and the types of shelter with their respective costs, and that the strategy and the concept note also provided the implementation

modalities including both direct implementation and CBI. Based on the actions taken and OIOS review of documents provided, recommendation 4 has been closed.

E. Security from violence and exploitation

The Representation needed to strengthen its response to survivors of sexual abuse and exploitation

31. There were 7,742 and 460 SGBV cases reported among IDPs and refugees respectively, in 2018 alone, with the Representation spending \$2.7 million on related activities in the audit period. The Representation provided SGBV related services to refugees with another United Nations agency responsible for IDPs under the sector cluster approach. While the issues noted below were cross cutting, they were more pronounced among IDPs, which called for the Representation to consider taking over the IDP programme as implementer of last resort. However, as already mentioned, there was limited clarity on when and how to take over from sector leads that were not providing services effectively.

32. There was no strategy in place to direct the prevention and response to SGBV among IDPs. Consequently, the SGBV programming lacked key elements necessary to create the desired impact. For instance, it did not target children who were the main survivors nor men/boys as the main perpetrators and did not address safe access to energy sources e.g. firewood yet it was the primary cause of high SGBV numbers among IDPs. Additionally, available SGBV SOPs did not cover key prevention actions, such as physical security assessments in camps, strengthening legal repercussions for perpetrators, provision of dignity kits, and increasing economic, educational and social opportunities, for women and children to reduce their vulnerability. Also, SGBV trainings did not target the most at risk and key perpetrators, and thus were ineffective. For instance, trainings did not target children of school going age under the Central African Republic caseload, yet they constituted 70-80 per cent of reported sexual violence cases.

33. The Representation's case management processes were inadequate in helping survivors recover from the long-term effects of SGBV: (a) only 279 out of 648 refugee SGBV survivors received medical assistance. Most rape cases were not reported within the UNHCR prescribed 72-hour to reduce the risk of HIV infection; (b) best interest assessments and determinations were not conducted as required to provide appropriate support to children at risk; (c) no documentation was available to evidence that IDPs received psychosocial assistance; and (d) most survivors did not receive the prescribed legal support with only 369 IDPs reported as seeking judicial services. Furthermore, implementing partners lacked proper records to evidence the support and assistance provided to survivors.

34. The Representation's established coordination mechanisms were also not operational, and this impacted collaboration among the different sectors and agencies that underpinned the successful prevention and delivery of services to SGBV survivors. The lack of coordination meetings was also a missed opportunity to review the effectiveness of implemented programmes and resolve challenges to an effective response.

35. The issues above were caused by the lack of a strategy and SOPs to drive its prevention programme to reduce SGBV risks and reinforce its case management, so survivors get necessary support and assistance.

(5) The UNHCR Representation in the Democratic Republic of the Congo should develop a strategy and update its standard operating procedures to drive its prevention, coordination, case management and monitoring of sexual and gender-based violence programmes across all persons of concern.

UNHCR accepted recommendation 5 and stated that: (i) the Representation had updated its existing SGBV strategy in alignment with the new global strategy; (ii) the updated SGBV SOPs apply to both partners and UNHCR and include engagement with existing referral pathways; (iii) the Representation was working on programme monitoring as a whole and this included SGBV programming, before the end of 2020; and (iv) given that UNHCR was not the overall lead for SGBV programme coordination in the DRC, UNHCR worked with another United Nations agency in its capacity as Protection Cluster Lead, but would include in the new SGBV SOPs, clarity on coordination mechanisms in places where clusters were not active. Recommendation 5 remains open pending receipt of evidence of: (i) the new SGBV strategy that is aligned with the global strategy; (ii) updated SOPs to guide related programmes; (iii) monitoring reports from implementing partners to ensure that the referral pathway is institutionalized; and (iv) coordination mechanisms to ensure a multi-sectoral response.

F. Health

The Representation needed to strengthen the management of health activities

36. The Representation's health service expenditure was \$8.1 million in 2018 and 2019. The Representation lacked strategies to support the prioritization considering the many needs and the limited resources. The Representation also did not have SOPs to guide the provision of quality health services to PoCs, and this impacted the quality of health services provided; e.g., the number of patients seen by a clinician per day in Gbadolite was over 90 against a standard of 52.

37. The areas of displacement were prone to outbreaks of cholera, measles and Ebola, but the Representation lacked the required epidemic preparedness plan and its health strategy was insufficient to support an effective response. Further, whereas the Representation assessed its preparedness to respond to an Ebola outbreak in the Lusende and Mulongwe camps, it did not institute measures to address identified gaps.

38. The Representation did not have SOPs to guide processes related to referrals of complicated health cases. The Representation also lacked documentation to evidence: (a) the contractual obligations entered with health service providers; (b) that referrals were supported by disease prognoses and analysis of costs. For instance, in Inke camp, only 59 forms were completed for the 228 referral cases; (c) proper approval by relevant committees; and (d) support the results reported in the health information system e.g. it reported 669 referrals for Inke camp yet the relevant register only recorded 228 cases.

39. The Representation experienced frequent and protracted stock outs of medicines and medical supplies, which was primarily attributed to delays in purchasing medicines. For example, the purchase of medicines worth \$599,135 requested in March 2018 were only ordered in December of the same year and had not been delivered by October 2019. Additionally, contrary to UNHCR requirements, medicines amounting to \$190,064 were procured through partners without the requisite authorization to procure medicines locally. Further, medicines in Uvira and Gbadolite were kept in inappropriate storage conditions raising concerns over their efficacy.

40. The Representation attributed the cited control weaknesses to funding challenges. Whilst understanding these limitations, OIOS was also of the view that the Representation's oversight over health activities needed strengthening as evidenced by the lack of comprehensive strategies and SOPs to direct and guide the provision of health services, as well as gaps in supervision of health activities undertaken by partners. These shortcomings exposed the Representation to gaps in the delivery of health services to PoCs as well as missed opportunities to find cost-effective and sustainable health solutions.

- (6) The UNHCR Representation in the Democratic Republic of the Congo should develop appropriate strategies and standard operating procedures to direct the delivery of health services to persons of concern and strengthen its management oversight over its health partners.**

UNHCR accepted recommendation 6 and stated that: (i) the Representation's Health Unit, had developed a guiding strategic note for 2020-2021; (ii) the revised SOPs had been finalized and implemented for the medical care of PoCs, medical referrals and procurement and management of drugs and medical equipment to support the UNHCR offices in DRC; (iii) procedures to minimize the risk of stock outs for medicines had been strengthened and improvements of storage conditions for medicines were being made; and (iv) the Representation was revising the reorder cycle, taking into account the identified bottlenecks and the long lead-time for international orders. Recommendation 6 remains open pending receipt of evidence of strengthened procedures to minimize the risk of stock outs.

G. Procurement and contract management

Procurement processes needed to be strengthened

41. The Representation purchased goods and services worth \$21 million in the audit period. However, it did not have comprehensive annual procurement plans which resulted in ad hoc purchases as evidenced by the numerous requests for waivers from competitive bidding, unauthorized purchases and frequent amendments to contracts. Proper needs assessments were not conducted to inform its purchase decisions. For instance, the Representation was holding spare parts worth \$435,027 for over two years and initial assessments reflected that they may not be needed.

42. The Representation did not comply UNHCR procurement guidelines. It: (i) generated 209 purchase orders worth \$3.3 million after receiving invoices from vendors; (ii) invited a lower number of vendors than recommended for the procurement methods chosen; (iii) did not give vendors sufficient time to prepare bids; (iv) lacked documentation for evaluations for two cargo contracts; and (v) evaluated vendors for lots they did not bid for in a road transport contract. These issues compromised the integrity of the procurement processes and resulted in major delays in the delivery of goods and services including medicines.

43. The Representation hired an aircraft from June 2014 to transport its staff to hard-to-reach areas at an annual cost of \$2.9 million. However, it lacked documentation to evidence that due diligence was undertaken to validate that hiring the aircraft represented best value for money. The contract also lacked clear terms against which performance would be evaluated over the five-year period. The Representation also did not amend its contract with the service provider to reflect the informal arrangements reached to carry non-UNHCR people and cargo at a fee, and use the money raised to cover a 33 per cent increase in hours flown per week. OIOS could not assess whether the informal arrangement represented best value because the Representation lacked credible data regarding number of passengers flown and cargo carried. Personal travel by staff and partners was also not recovered.

44. Regarding fuel management, the Representation spent \$5 million on fuel in the period but had not assessed reasonableness of the vehicle fleet (416) and number of generators (84) held. OIOS questioned the Representation's decision to buy fuel centrally considering well-known challenges regarding its distribution. Not only did this result in high distribution costs and tardy delivery of fuel to Sub-Offices but inadequate controls increased the risk of loss during transit. For instance, the Representation did not always witness the delivery of fuel in Goma and Baraka but rather relied on records maintained by the partner

which were incomplete. The Representation also did not monitor the usage of allocated fuel and average fuel consumption rates were not computed.

45. While the Representation attributed these weaknesses to long outstanding vacancies in the Supply Unit, OIOS was also of the view that management supervision over this function was inadequate. This exposed the Representation to the risk of fraud and failure to obtain value for money from purchases made.

(7) The UNHCR Representation in the Democratic Republic of the Congo should, in collaboration with the Regional Bureau for Southern Africa, implement an action plan to strengthen its supply function capacity and determine the most cost-effective method for purchase and delivery of goods and services.

UNHCR accepted recommendation 7 and stated that: (i) the Representation had strengthened the supply function capacity through the implementation of a revised structure for the Supply Unit with enhanced capacity at Sub and Field Offices; (ii) the Representation signed the revised air freight contract and implemented a new billing system, and the tender for the new air freight contract would be finalized by October 2020, in consultation with Headquarters; and (iii) the Representation would finalize SOPs to reinforce controls over fuel management and its monitoring with the partner. Recommendation 7 remains open pending receipt of evidence of: (i) finalization of the tender for the new air freight contract; and (ii) SOPs detailing reinforced controls over fuel management.

IV. ACKNOWLEDGEMENT

46. 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 the Democratic Republic of the Congo 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 the Democratic Republic of the Congo should: (i) review its organigram so that it is structured appropriately; (ii) reinforce accountability mechanisms by clarifying delegated responsibilities and strengthening supervision of Sub and Field Offices; (iii) strengthen oversight of implementing partners; and (iv) enhance the quality of the risk register and its active use in the operations management cycle.	Important	O	Submission to OIOS of the updated risk register.	30 September 2020
2	The UNHCR Representation in the Democratic Republic of the Congo should take action to strengthen its strategic and operational planning processes, as well as its prioritization of needs and resource allocation, to ensure cost-effective programme implementation.	Important	O	Submission to OIOS of evidence of: (i) finalization of the multi-year, multi partner protection and solutions strategy; (ii) measures taken to strengthen the strategic planning process, e.g. comprehensive assessments of PoC needs and validation of related data; (iii) alignment of resource allocation with the Representation's strategic priorities; (iv) actions taken to strengthen performance reporting in Focus; and (v) updated operational strategies.	31 January 2021
3	The UNHCR Regional Bureau for Southern Africa should, in collaboration with the Division of Emergency, Security and Supply, review the capacity of the UNHCR Representation in the Democratic Republic of the Congo to execute its required functions during emergencies that include emergency preparedness, resource deployments and adequate coordination at cluster level.	Important	O	Submission to OIOS of evidence of: (i) implementation of an action plan developed in conjunction with DESS and the Bureau for Southern Africa to address the Representation's capacity and responsiveness to cyclical displacements; and (ii) the revised framework for IDP emergency responses in accordance with UNHCR policies.	30 September 2020

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

³ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁴ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in the Democratic Republic of the Congo 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
4	The UNHCR Representation in the Democratic Republic of the Congo should take action to increase its capacity to plan, design and implement its shelter programmes in a cost-effective manner.	Important	C	Action completed	Implemented
5	The UNHCR Representation in the Democratic Republic of the Congo should develop a strategy and update its standard operating procedures to drive its prevention, coordination, case management and monitoring of sexual and gender-based violence programmes across all persons of concern.	Important	O	Submission to OIOS of evidence of: (i) the new SGBV strategy that is aligned with the global strategy; (ii) updated SOPs to guide related programmes; (iii) monitoring reports from implementing partners to ensure that the referral pathway is institutionalized; and (iv) coordination mechanisms to ensure a multi-sectoral response.	31 December 2020
6	The UNHCR Representation in the Democratic Republic of the Congo should develop appropriate strategies and standard operating procedures to direct the delivery of health services to persons of concern and strengthen its management oversight over its health partners.	Important	O	Submission to OIOS of evidence of strengthened procedures to minimize the risk of stock outs.	30 September 2020
7	The UNHCR Representation in the Democratic Republic of the Congo should, in collaboration with the Regional Bureau for Southern Africa, implement an action plan to strengthen its supply function capacity and determine the most cost-effective method for purchase and delivery of goods and services.	Important	O	Submission to OIOS receipt of evidence of: (i) finalization of the tender for the new air freight contract; and (ii) SOPs detailing reinforced controls over fuel management.	30 September 2020

APPENDIX I

Management Response

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
				(ii) (iii)(iv) Assistant Representative (Programme)	(ii)(iii)(iv) Implemented	<p>Three chapters (Chapter three, eight and nine) of the MYMP Strategy have been completed (see below for the full chapter by chapter layout of the strategy). Chapter Two (Overarching Protection and Solutions Strategy) is currently under review and once it is completed, it will trigger the swift completion of the rest of the strategy. Below is the chapter by chapter outline of the Strategy:</p> <ul style="list-style-type: none"> - Section One: Introduction & Background - Section Two: Overarching Protection and Solutions Strategy - Section Three: Vision, Mission and Key Goals/Objectives - Section Four: Strategic Objectives and Areas of Intervention - Section Five: Emergency Preparedness - Section Six: Approach to Implementation - Section Seven: Management of Risk - Section Eight: Key Stakeholders and Partnerships - Section Nine: Communication Strategy - Section Ten: Resources and Management - Section Eleven: Monitoring and Evaluation. <p>The MYMP Strategy will be finalized by January 2021.</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>(ii) The Representation has taken measures to support the strategic planning processes, e.g. comprehensive assessments of Persons of Concern needs and validation of related data. The Representation has finalized a consolidated report for participatory assessments following the age, gender and diversity approach for 2019 and 2020 for all population groups informing 2021 Planning. In addition, the Representation has developed materials to guide planning, including on how the operation considers beneficiary priorities.</p> <p>(iii) The Representation is engaged in a detailed review of resources allocation in order to ensure the following: (a). compliance and harmonization of standards of assistance throughout the country and according to the strategic priorities indicated by the representation; (b). identification of the relevant Sustainable Development Goals adopted by the DRC UN Country Team; (c). Association of projects and programs to UNHCR priorities and SDGs; (d). Systematic review of performance management according to standards and indicators selected by the operation (see annexes on 2019 main</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
				(ii) CBI Officer		<p>to ensure and strengthen coordination among Offices in area affected by cyclical displacement to ensure proper synergy and common approach in addressing needs for affected community</p> <p>(ii) Noting lessons learned from 2018-2020, CBI will continue to be an important part of the response plan but will likely not increase in scale until operational partners can ensure more reliable service to hosting areas. The Operation will continue to improve NFI stock management and build on existing partnerships with CBI partners so that both modalities can contribute to a more predictable, flexible and fraud resistant emergency response.</p>
4	The UNHCR Representation in the Democratic Republic of the Congo should take action to increase its capacity to plan, design and implement its shelter programmes in a cost-effective manner.	Important	Yes	Shelter Officer	Implemented	<p>Shelter strategies, SOPs and guidance are updated annually to respond to changing needs and to closer working relationships with Protection, Cash, CCCM and other technical units.</p> <p>(i) In line with the L3 declaration in November 2019 and in order to strengthen the capacity to monitor the implementation of the Shelter response strategy, the Representation is reinforcing its shelter staffing, including 13 positions already filled. A series of webinars for new and existing Shelter staff is already</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>underway to ensure consistency of approach throughout the operation.</p> <p>(ii) The UNHCR Representation updated its comprehensive response strategy for contextualized shelter for refugees living in camps and/or with host communities to guide all Sub and Field offices. It also updated guidance on programming in IDP situations and is working within resource limitations to respond to community priorities as to the quality and size of housing – including prioritizing support for host family dwelling refurbishment in place of emergency IDP shelters.</p> <p>(iii) The existing SOPs indicate the selection criteria for beneficiaries and the types of shelter with their respective costs. The strategy and the concept note also provide the implementation modalities including both direct implementation and CBI.</p>
5	The UNHCR Representation in the Democratic Republic of the Congo should develop a strategy and update its standard operating procedures to drive its prevention, coordination, case management and monitoring of sexual and gender-based violence programmes across all persons of concern.	Important	Yes	(i)(ii)(iii) Senior Protection Officer (iv) Senior Cluster Coordination Officer (Protection)	(i) (ii) (iv) 30/09/2020	(i) The UNHCR Representation in the DRC has updated its existing SGBV strategy considering lessons learned and aligned to the new global strategy. Ongoing consultations with the SGBV team, the Sub-Offices and the communities are currently planned and will help to develop the new strategy through a participative and contextualized approach by September 2020.

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
					(iii) 31/12/2020	<p>(ii) SGBV SOPs apply to both Partners and UNHCR and include engagement with existing referral pathways. New versions will include a mapping of existing physical and mental health and legal services in each functional zone to facilitate monitoring. Increased programming in legal and psycho-social assistance will also reinforce UNHCR's capacity to contribute to overall programming.</p> <p>(iii) The Representation is working on programme monitoring as a whole and is including SGBV programming, including referral mechanisms, in the development of new performance and impact indicators and report modalities for UNHCR and Partners that will be tested and operational before the end of 2020.</p> <p>(iv) Given that UNHCR is not the overall lead of SGBV programme coordination in the DRC, UNHCR does work with a United Nations agency in our capacity as Protection Cluster Lead. The Representation will share updated SGBV guidance for IDP response areas under the SGBV AOR. UNHCR will include in the new UNHCR SGBV SOPs clarity on coordination mechanisms in places where clusters are not active</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>identified bottlenecks and the long lead-time for international orders. Instead of a couple of consolidated orders of large quantities, the CO is considering regularly placing orders for replenishment of fast-moving items. By adapting the reorder schedule to the consumption pattern, we will minimize the impact of prolonged lead-time on stock availability.</p> <p>An analysis is being undertaken to identify the items that are available locally and/or in the region. The separated sourcing mechanism will be applied for the procurement of these items. Discussion is on-going with an important local Supplier in Goma, for the establishment of a partnership for the delivery of certain products nationwide. The country operation intends to request from SMS, permission to place order directly with their Frame Agreements holders.</p>
7	The UNHCR Representation in the Democratic Republic of the Congo should, in collaboration with the Regional Bureau for Southern Africa, implement an action plan to strengthen its supply function capacity and determine the most cost-effective method for purchase and delivery of goods and services.	Important	Yes	Assistant Representative (Supply)	(i) (ii) Implemented	<p>(i) The Representation has strengthened the Supply function capacity through the implementation of a revised structure for the Supply Unit with enhanced capacity at Sub and Field Offices.</p> <p>(ii) The Representation has signed the revised air freight contract and is implementing a new billing system.</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
					(iii) 30/09/2020	<p>A new tender for the new air freight contract will be launched and finalized by October 2020 in consultation with HQ.</p> <p>(iii) The Representation has developed and will finalize the SOPs to reinforce controls over fuel management and its monitoring with the Partner.</p>