



## **INTERNAL AUDIT DIVISION**

### **REPORT 2020/048**

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#### **Audit of the operations in Zimbabwe for the Office of the United Nations High Commissioner for Refugees**

**The Representation needed to strengthen its  
strategic and operational planning as well as  
oversight of programme implementation so  
that the needs of persons of concern are met  
in a timely and cost-effective manner**

**1 December 2020**

**Assignment No. AR2020-113-02**

# **Audit of the operations in Zimbabwe 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 Zimbabwe 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 its persons of concern (PoCs) in a timely and cost-effective manner and in accordance with UNHCR's policy requirements. The audit covered the period from 1 October 2018 to 31 December 2019 and included review of: (a) planning and resource allocation, monitoring and reporting; (b) emergency preparedness and response; (c) non-food items and warehouse management; (d) procurement; and (e) livelihoods.

The deepening economic crisis and prolonged drought heightened the humanitarian crisis in Zimbabwe. This together with inadequate emergency preparedness when Cyclone Idai made landfall in March 2019, impacted the Representation's ability to deliver services to PoCs in a timely and cost-effective manner.

OIOS made seven recommendations. To address issues identified in the audit, the Representation in collaboration with the Regional Bureau for Southern Africa needed to:

- Review the Representation's organigram, reinforce its control environment and enhance its identification and mitigation of risks;
- Reinforce the strategic and operational planning processes to ensure the Representation achieves its goals and objectives;
- Strengthen its management oversight of implementing partners;
- Strengthen its emergency preparedness by conducting risk analyses and preparedness actions;
- Review its livelihoods programme and implement actions to address identified shortcomings;
- Strengthen its controls and accountability for non-food items so they reach intended beneficiaries; and
- Review its procurement function and prepare a time bound action plan to address the systemic issues identified in the audit.

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

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# **Audit of the operations in Zimbabwe 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 Zimbabwe for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The UNHCR Representation in Zimbabwe (hereinafter referred to as ‘the Representation’) was established in 1978 to provide refugees, asylum seekers and other persons of concern (PoCs) with international protection and humanitarian assistance. As at 30 November 2019, the country had 21,238 PoCs, 6,546 of whom were unregistered Mozambican asylum seekers who did not receive assistance from UNHCR. Out of the 14,692 registered PoCs, 70 per cent resided in the Tongogara Refugee Camp (TRC) in Chipinge district. Seventy-three per cent of this population were from the Democratic Republic of Congo (DRC), 12 per cent from Mozambique and 6 per cent each from Burundi and Rwanda.
3. UNHCR declared a Level 3 (L3) emergency on 28 March 2019 in response to the Category 2 Tropical Cyclone Idai that made landfall on 14 March 2019. The resultant severe flooding caused the displacement of an estimated 270,000 people in the country, 137,000 of whom were internally displaced persons (IDPs) from Chipinge and Chimanimani and an estimated 6,000 refugees and asylum seekers living in the refugee camp.
4. The Representation was headed by a Representative at the P-5 level and it had, at the time of audit, 22 regular staff positions and four affiliate staff. It had a Country Office in Harare as well as a Field Office at the Tongogara Camp. The Representation recorded total expenditure of \$5.8 and \$9.3 million in 2018 and 2019 respectively. The Representation worked with three partners that implemented 48 per cent of the Representation’s programme related expenditures.
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 timely and 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 risks related to the prolonged drought and the effects of Cyclone Idai on the operations in Zimbabwe.
8. OIOS conducted this audit from March to June 2020. The audit covered the period from 1 October 2018 to 31 December 2019. Based on an activity-level risk assessment, the audit covered the following higher risk areas: (a) planning and resource allocation, monitoring and reporting; (b) emergency preparedness and response; (c) Non-Food Items (NFIs) and warehouse management; (d) procurement; and (e) livelihoods. Through a review of the above-mentioned areas, OIOS also drew overall conclusions about the adequacy and effectiveness of the Representation’s control environment, management of implementing partners and enterprise risk management.
9. The audit methodology included: (a) interviews with key personnel; (b) a review of relevant documentation; (c) analytical review 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 data of PoCs from ProGres, the UNHCR enterprise registration tool; (d) sample testing of controls using systematic and random sampling methods; (e) visits to the Representation's Country Office in Harare, Field Office in Tongogara, and the offices of two partners; and (f) meetings with key stakeholders including agencies, implementing and operational partners involved in the emergency response.

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 strengthen its control environment and ensure risks are effectively mitigated

11. During the period under audit, Zimbabwe was experiencing a heightened humanitarian situation due to the deepening economic crisis, a prolonged drought, and the resultant high inflation rate which increased the cost of doing business in the country. This affected PoCs' livelihoods thereby increasing their vulnerability and dependence on the Representation at a time when UNHCR's funding was decreasing. The Representation's limited resources were further strained since it delivered services to persons that were passing through the country en-route to South Africa. The reduced Government's support to PoCs, also left the Representation largely responsible for delivering services to PoCs.

12. In this operational context, effective management of risks was imperative if the Representation was to achieve its strategic objectives. However, the Representation's register was not comprehensive, and key risks that inhibited the achievement of its strategic objectives such as inadequate staff capacity were not identified for mitigation. Additionally, the basis for the risk ratings was unclear and inconsistent, and some mitigating actions rated as high remained outstanding, although the deadlines had passed. For example, the risk related to the underfunding of the Representation was rated at very high likelihood and with major impact, but mitigating factors had not been instituted to mitigate it.

13. Core to the risks that impeded effective programme implementation was the lack of staff to oversee programme implementation, especially during emergencies. Key positions including that of the Representative and Head of the Field Office remained vacant for long periods of time. The frequency of changes and brevity of time served by Representatives in an acting capacity impacted their ability to provide meaningful strategic direction to the office.

14. The Representation did not prioritize areas of strategic importance when allocating the limited staff resources during its annual planning process. Consequently, it did not have staff overseeing key strategic areas like statelessness, resettlement and livelihoods as well as protection activities like data management, child protection and sexual gender-based violence. The Representation's distribution of staff in terms of numbers and seniority was also skewed towards the Country Office, yet programme implementation primarily happened at the Field Office. For example, only 3 of 10 protection staff were deployed to the Field Office. Also, only one G-6 grade staff (out of the 14-member team at the Field Office) was responsible for all programme, finance and administration work. This amongst other things, raised risks related to the failure to segregate duties.

15. The Representation's limited staff capacity also impacted its ability to respond rapidly, reliably and effectively to the L3 emergency. UNHCR appointed the country's emergency coordinator as Representative

in an acting capacity and this detracted their focus from the response. Also, the Representation was unable to sustain its role in response once the deployed short-term emergency staff left the country. This was evident in its failure to lead the protection cluster and participate in inter-agency meetings as expected. Consequently, protection was not prioritized in the response which exposed PoCs to various risks including IDPs' continued habitation in camps characterized by unsafe and undignified conditions for almost a year after the floods. It also created a reputational risk for UNHCR, which the Representation noted but was willing to accept until such a time when it received additional staff.

16. The Representation also lacked capacity to oversee the implementation of over \$5.1 million worth of programmes through partners in the two-year period under audit. The Representation's multi-functional team was not well constituted which impacted key partner processes like due diligence during the selection and monitoring of programme implementation. Additionally, the lack of an in-country project control position resulted in the Representation relying on desk-based financial verifications of partner records, which were limited in coverage and depth. The Regional Bureau conducted a couple of financial verifications, but resultant recommendations remained outstanding at the time of the audit.

17. The skeletal staff resulted in weaknesses in internal controls, for example the Representation could not segregate duties within the procurement function, with the same staff preparing and evaluating bids, approving awards and negotiating with suppliers. This situation called for increased management supervision to safeguard the procurement process, but the Representation lacked staff to execute this important role. Considering the staff shortages, the Regional Bureau conducted several missions to support the Representation's programme implementation and strengthen its internal controls. But most recommendations remained outstanding which per the Representation was due to lack of staff.

18. The recurrence of issues that were raised in OIOS' 2017 audit report (AR/2017/111/03) in livelihoods, procurement and partnership activities reflected that weaknesses remained pervasive and there was no sustained improvement in controls. 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 Zimbabwe, in collaboration with the Regional Bureau for Southern Africa, should: (i) review its organigram and staffing to reinforce its control environment; (ii) develop an action plan to ensure all pending recommendations related to the reviews undertaken previously are implemented; and (iii) review and update the risk register to ensure its comprehensiveness.**

*UNHCR accepted recommendation 1 and stated that a substantive Representative and a Head of Field Office had been appointed. The Representation had undertaken a review of staffing needs which resulted in the creation of two positions. It was reviewing the risk register and taking action to ensure that recommendations related to previous reviews are implemented. Recommendation 1 remains open pending receipt of documentary evidence of: (i) updated organogram addressing staff gaps identified during the audit; (ii) an action plan addressing oversight recommendations raised by different Regional Bureau for Southern Africa (RBSA) missions; and (iii) an updated risk register.*

## **B. Planning and resource allocation**

The Representation needed to strengthen its strategic and operational planning processes

19. The Representation's protracted caseload attracted less donor funding, with only 58 per cent of its 2019 operational needs funded. There was also no commensurate increase in budgets to match the 75 per cent rise in PoCs between 2017 and 2019. The ever-increasing needs in a resource constrained environment

called for strengthened strategic and operational planning if the Representation was to achieve its strategic objectives. However, the Representation lacked a multi-year, multi partner protection and solutions strategy, which was a missed opportunity to bring key stakeholders together to develop a vision detailing how PoC issues would be addressed in a sustainable manner.

20. Additionally, the Representation did not have the required overarching country protection strategy to direct its programming towards the achievement of UNHCR's mandate. It also had not developed operational strategies to support the prioritization of the limited available resources across the many PoC needs in areas of sexual and gender-based violence, statelessness and public health. Thus, it did not prioritise its strategic objectives, but instead spread its meagre resources across 17 areas. This needed to be revised if the Representation was to meet its goals and strategic objectives.

21. The effectiveness of the annual planning process was impacted by the lack of credible information to inform the Representation's strategic and operational planning processes, for example:

- The Representation lacked accurate PoC data, with a December 2018 verification exercise remaining incomplete. The verification did not cover 6,546 unregistered asylum seekers at the border (27 per cent of reported numbers) which defeated the purpose of the exercise. The 11 per cent drop in reported PoC numbers was not investigated and recommendations made by the Regional Office to strengthen data management had not been implemented.
- It conducted PoC needs assessments but did not incorporate the results into programme designs during the annual planning process. These needs assessments did not cover and therefore failed to address the protection needs of PoCs that resided outside the camp.
- There were inconsistencies between the performance results reported in Focus and underlying records which raised questions on the accuracy of the programme information used for decision-making. Instances where results fell below the baseline were not investigated yet reflected that implemented programmes were not creating the desired impact.

22. The Representation did not conduct the required due diligence to justify its decision to outsource 48 per cent of its programme implementation to partners. The Representation did not as part of its selection process consider prior performance and so retained some partners that lacked capacity to implement programmes and/or whose controls were inadequate to safeguard resources. This resulted in delayed programme implementation, abandoned projects and failure to meet targets, for example the number of shelters constructed fell short by 50. Additionally, the Representation did not conduct comprehensive reviews of partner budgets and its project agreements did not clearly articulate their roles and outputs.

23. Regarding partner monitoring, the indicators and targets listed in project partnership agreements were not aligned to annual targets in Focus, which raised questions on how the activities undertaken contributed to the Representation's strategic objectives. OIOS also questioned the comprehensiveness of the project monitoring plans since they primarily focused on financial risks, leaving out programmatic aspects that were central to service delivery. The Representation also undertook the same number and intensity of monitoring visits regardless of the assessed partner project risk.

24. In a complicated operating environment and with limited resourcing, the lack of coherent strategic and operational direction impacted PoCs' access to required protection and quality of services provided.

**(2) The UNHCR Representation in the Zimbabwe in cooperation with the Regional Bureau for Southern Africa should reinforce its strategic and operational planning processes to ensure: (i) proper prioritization of needs; (ii) optimal allocation of limited resources; and (iii) reliable data for decision making.**

*UNHCR accepted recommendation 2 and stated that the Representation would prioritise its needs in alignment with strategic priorities. It also conducted planning meetings in November 2020 with key stakeholders with the aim of ensuring the inclusion of refugees into national plans. The Representation further stated that it would ensure that year end performance results were consistent with underlying records and investigate results which fall outside of set baselines. The host Government would verify the Mozambican asylum seekers along the borders and update data accordingly. Recommendation 2 remains open pending receipt of documentary evidence of: (i) finalized multi-year, multi partner protection and solutions, regional protection strategy and operational strategies supporting prioritization of needs; (ii) resource allocation aligned to the strategic priorities; (iii) measures instituted to ensure accuracy of data in Focus; and (iv) completion of the data verification exercise.*

**(3) The UNHCR Representation in Zimbabwe should implement an action plan that addresses the weaknesses identified in the audit regarding selection and retention of partners, budgeting and development of agreements, and monitoring of project implementation.**

*UNHCR accepted recommendation 3 and stated that the Representation would conduct a desk review of its partners for their retention in 2021, assess internal controls for retained partners and develop risk-based performance monitoring plans. It further stated that RBSA would provide support and guidance to the operation as needed. Recommendation 3 remains open pending receipt of evidence of the implementation of an action plan addressing weaknesses in : (i) partner selection including a cost-benefit analysis on whether to use partners or implement directly; (ii) review of partner project agreements and budgets; and (iii) financial and performance monitoring reports.*

### **C. Emergency preparedness and response**

#### The Representation needed to adequately prepare for emergencies in line with UNHCR's policies

25. The Representation only joined the response two weeks after Cyclone Idai made land fall in March 2019. This was because it had to wait for a corporate decision to be reached on whether to participate since UNHCR lacked guidance on natural disaster induced displacements. The delay in the Representation's involvement in the early stages of the inter-agency planning processes came at the cost of reduced visibility and funding. Apart from \$250,000 that was a refund for NFIs supplied during the response, the Representation did not receive any other funding from the Central Emergency Response Fund for refugees and protection related activities.

26. Despite having been aware of the high risk of floods at its refugee camp, the Representation was unprepared when Cyclone Idai struck. All actions to mitigate emergency related risks remained outstanding at the time of the audit. The Representation's draft disaster preparedness and scenario based contingency plans were not informed by risk analyses and capacity assessments and thus, were ineffective in ensuring the timely and cost-effective delivery of critical assistance during emergencies. Recommendations provided by the Regional Bureau on preparedness and response to emergencies had not been implemented and this weakened the Representation's delivery of services to displaced persons.

27. The Representation's absence as protection cluster leader during the initial stages of the emergency as well as from inter-agency meetings later in the response resulted in the limited coverage of protection issues. For instance, the cluster did not map the available protection capacity against geographical areas and so was unaware that IDPs were not receiving related services. It also did not conduct protection monitoring and so lacked information about protection issues in the camp such as the extent of sexual and gender-based violence and the number of unaccompanied and separated children that required assistance. Training meant to support the mainstreaming of protection into the response and to



create awareness about sexual exploitation and abuse happened four months after the floods, by which time discussions to deactivate the emergency were already underway.

28. The Representation also did not deliver services to displaced persons in a timely and cost-effective manner. For example, it was only able to construct 206 out of the 1,171 damaged latrines in the refugee camp. These latrines were not only completed five months after the floods but were semi-permanent and never upgraded to permanent ones thus raising questions if this had represented value for money. The Representation's distribution of NFIs to some IDPs started over two months after the floods and the process was marred by complaints that some people were unfairly excluded by the implementing partner. Also, the limited coordination of NFI distributions by different agencies resulted in duplications and/or inconsistencies in the items distributed to PoCs. The Representation facilitated the issuance of identity documents to 65,095 out of an estimated 100,000 IDPs but lacked a plan to complete the process.

29. The Representation advised that it lacked capacity and did not have an understanding of its role in responding to emergencies related to natural disasters. However, OIOS was of the view that the gaps could have been minimized with better emergency planning and strengthened coordination at the cluster level.

**(4) The UNHCR Representation in Zimbabwe, in cooperation with the Regional Bureau for Southern Africa, should strengthen its emergency preparedness by conducting risk analyses and preparedness actions.**

*UNHCR accepted recommendation 4 and stated that the Representation had appointed an emergency /High Alert List for Emergency Preparedness focal point for the operation and conducted a risk analysis for the Mozambican situation. Minimum Preparedness Plans were being developed based on the outcomes of the risk analysis. A risk analysis for natural disasters would be conducted and a contingency plan with scenarios developed. Recommendation 4 remains open pending receipt of documentary evidence of the Representation's emergency preparedness including : (a) risk analyses; (b) minimum and advanced preparedness actions; and (c) scenario based contingency plans.*

## **D. Livelihoods**

There was a need for the Representation to strengthen its management of livelihoods activities

30. In the period under audit, the Representation spent \$745,321 on livelihoods, one of its key strategic priorities. The Representation had a livelihoods strategy (2016-2020) but it was not aligned to the latest UNHCR strategic directions. For example, the strategy did not address provisions that restricted PoCs' right to work, land rights and trade. Additionally, the Representation did not partner with other entities to ensure the inclusion of refugees into their programmes/services. For example, the PoCs were unable to sell their produce once a major operating agency switched from providing beneficiaries with cash to supplying food items instead.

31. The Representation also lacked standard operating procedures (SOPs) to guide the implementation of livelihood projects. Consequently, the lack of selection criteria for beneficiaries resulted in the Representation allocating plots for agriculture on a first come first served basis, without consideration of the most vulnerable. Additionally, the Representation did not have an exit strategy to mitigate against the risk of beneficiaries remaining dependent on handouts. The beneficiaries that had received farm inputs for two consecutive years were waiting for similar support in 2020.

32. Gaps in the Representation's planning for its livelihood programme were evident in its inability to utilize 50 per cent of its 2018 budget allocation (\$285,998) despite the great need amongst PoCs. The 0.05

hectare plots allocated to PoCs fell short of the recommended 0.25 standard for meaningful farming. Because of these small plots, PoCs could only undertake subsistence farming which impacted their ability to become self-reliant. When planning, the Representation did not consider that numerous abandoned chicken coops and pig sties around the camp evidenced the failure of similar projects in the past. The Representation also constructed more coops and sties instead of taking over abandoned structures.

33. The Representation conducted a value chain analysis meant to identify the most viable projects in generating employment and improving livelihoods of PoCs and the host community but did not implement the resultant recommendations. This contributed to the delays and limited success noted with the livelihood projects under implementation. The poultry farm started with 1,222 chickens in 2018 and these reduced to 246 chickens at the time of the audit. The piggery project was abandoned, with PoCs failing to feed the remaining few pigs in the sties. The Representation also spent \$334,000 on a water irrigation system but had only received some pipes by the end of the year thus raising questions on the viability of the project within the project timeline.

34. There were gaps in the Representation's monitoring of livelihood projects including the lack of a baseline survey against which the outcomes would be measured. The Representation also had not conducted an evaluation to assess the effectiveness of interventions in creating the desired impact for PoCs and the host community. The results reported in the 2018 Focus report could not be substantiated, for example, only 480 of the 932 beneficiaries involved in the agriculture project could be verified. The failure to resolve identified weaknesses in a timely manner impacted the livelihood projects, such as delays in releasing soil test results, failure to complete the slaughterhouse and delays in the distribution of fertilizer.

35. The Representation attributed the above issues to the economic crisis that affected the sectors the livelihood projects were operating in. That notwithstanding, OIOS was of the view that most of the weaknesses identified were due to inadequate management oversight and could have been addressed with better planning, management and monitoring of the project.

**(5) The UNHCR Representation in Zimbabwe, in cooperation with the Regional Bureau for Southern Africa, should review its livelihoods activities and develop an action plan to address the identified shortcomings so that project objectives are achieved.**

*UNHCR accepted recommendation 5 and stated that the Representation would update its livelihoods strategy, align it with the Global Strategy Concept Note and continue to advocate for lifting of reservations in line with Government pledges. Recommendation 5 remains open pending receipt of documentary evidence of: (i) an updated country specific livelihoods strategy and SOPs that include an exit strategy; (ii) an advocacy plan for the lifting of restrictions; and (iii) implementation of an action plan to address the identified shortcomings in the irrigation project and in land allocation to PoCs.*

## **E. Non-food items and warehouse management**

### The Representation needed to strengthen its management of non-food items

36. The value of NFIs managed by the Representation increased from \$983,508 in 2018 to \$1.92 million in 2019 because of the emergency response. The Representation's 2012 SOPs were outdated and had not been reviewed despite a recommendation from the Regional Office in April 2019. Consequently, the Representation did not provide proper guidance to its logistics partner on the management and distribution of NFIs including roles, responsibilities and accountabilities, as well as indicators and targets against which performance would be measured. Moreover, the lack of selection criteria left the identification and targeting of beneficiaries at the discretion of the partner and without proper supervision

by the Representation. This contributed to the allegations already noted that IDPs were unfairly excluded from the beneficiary list.

37. The Representation did not conduct proper needs assessments to inform its purchase decisions, increasing risk of inefficiencies, as evidenced by its purchase of more NFIs than was required. This resulted in items being stored in unsecure warehouses thereby raising the risk of loss and tying up limited resources unnecessarily. The lack of guidance also resulted in inconsistencies in the distribution of NFIs across PoCs.

38. The Representation did not conduct any on-site distribution visits to ensure that items reached intended beneficiaries. The one post distribution exercise conducted among IDPs did not identify key weaknesses such as the lack of coordination among the different agencies that had resulted in haphazard distribution. The Representation also did not review distribution reports submitted by the logistics partner and consequently, could not identify anomalies such as beneficiaries that had not acknowledged the receipt of NFIs. The lack of monitoring was a missed opportunity for the Representation to receive feedback on the adequacy and effectiveness of NFIs in mitigating protection risks. It would also have ensured proper accountability for NFIs distributed.

39. The non-compliance with key controls instituted by UNHCR raised a risk that basic needs of PoCs would not be met and it also exposed the Representation to possible misappropriation of resources.

**(6) The UNHCR Representation in Zimbabwe, in cooperation with the Regional Bureau for Southern Africa, should develop and implement standard operating procedures for: (i) needs assessment; (ii) identification of beneficiaries; (iii) storage and warehousing; and (iv) monitoring of distribution.**

*UNHCR accepted recommendation 6 and stated that the Representation would develop SOPs for : (i) needs assessments, (ii) identification of beneficiaries, (iii) storage and warehousing and (iv) monitoring of distributions. It further stated that the Representation would engage key stakeholders on improved PoC data collection and management, beneficiary selection and monitoring. It would also in consultation with RBSA prepare an action plan aimed at strengthening the technical capacity of staff and partners. Recommendation 6 remains open pending receipt of evidence of: (i) NFI needs assessment; (ii) revised SOPs for NFI management and distribution that are aligned to UNHCR guidance; and (iii) documentation to support distribution.*

## **F. Procurement and contract management**

### The Representation needed to strengthen its procurement and contract management processes

40. The Representation purchased goods and services worth \$4.3 million in the audit period. It however did not have a comprehensive procurement plan and consequently, some major procurements were conducted in an ad-hoc manner. The lack of a comprehensive plan meant the Representation lacked a basis against which to monitor its procurements with instances of non-compliance with relevant UNHCR guidelines going undetected as noted below. For example, the Representation did not abide with set timelines for selected solicitation methods. It also systematically invited a lower number of bidders than recommended for the type of procurement method.

41. OIOS' review of purchases identified that 50 purchase orders worth \$860,908 were generated after the receipt of the invoices, and this meant that these procurements did not follow due process. In four of the procurements reviewed, the Representation changed evaluation criteria and used this as a basis for disqualifying bidders. For example, contract costs increased by over \$100,000 when two lower bids were

disqualified because they offered imported blankets, yet the criteria did not provide any such limitation. Also, the Representation's decision to disqualify a supplier of water pipes based on delivery time yet this was not in listed criteria, increased its costs by \$67,201. In this case, the selected vendor failed to execute the contract within the stipulated timelines and still had outstanding deliveries at the time of audit.

42. There were also gaps in the Representation's oversight of the procurement process. The Representation did not obtain proper authorization from the relevant committee on contracts for six procurements amounting to \$1,067,583 related to rent, security services, fuel and air travel. Vendors with cumulative values that went beyond the \$40,000 and \$250,000 thresholds were also not brought to the attention of the local and regional committee on contracts for notification as required in UNHCR guidelines. Additionally, the Representation did not consistently monitor contracts to ensure that delivery of goods and services as per the agreed terms. For example, one vendor abandoned a construction site after receiving a payment of \$28,853 and no steps had been taken to certify work done and recover outstanding balances.

43. This exposed the Representation to the risk of failure to obtain best value from purchases and compromised the integrity of the procurement process.

**(7) The UNHCR Representation in Zimbabwe, in collaboration with the Regional Bureau for Southern Africa, should undertake a comprehensive review of its procurement function and processes and prepare a time bound action plan for addressing the systemic issues raised in this audit.**

*UNHCR accepted recommendation 7 and stated that the Representation had created a position of Supply Associate for 2021. The Representation also committed to develop a detailed procurement plan; and ensure procurements are approved in accordance with guidelines. It would also ensure that all members of the Local Committee on Contracts attend the required training. Recommendation 7 remains open pending receipt of documentary evidence of implementation of an action plan addressing: (i) the need for a comprehensive procurement plan; (ii) capacity gaps in the supply function; and (iii) areas of non-compliance identified in the audit.*

#### IV. ACKNOWLEDGEMENT

44. 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  
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Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	The UNHCR Representation in Zimbabwe, in collaboration with the Regional Bureau for Southern Africa, should: (i) review its organigram and staffing to reinforce its control environment; (ii) develop an action plan to ensure all pending recommendations related to the reviews undertaken previously are implemented; and (iii) review and update the risk register to ensure its comprehensiveness.	Important	O	Submission to OIOS of: (i) updated organogram addressing staff gaps identified during the audit; (ii) an action plan addressing oversight recommendations raised by different RBSA missions; and (iii) an updated risk register.	31 July 2021
2	The UNHCR Representation in the Zimbabwe in cooperation with the Regional Bureau for Southern Africa should reinforce its strategic and operational planning processes to ensure: (i) proper prioritization of needs; (ii) optimal allocation of limited resources; and (iii) reliable data for decision making.	Important	O	Submission to OIOS of: (i) finalized multi-year, multi partner protection and solutions, regional protection strategy and operational strategies supporting prioritization of needs; (ii) resource allocation aligned to the strategic priorities; (iii) measures instituted to ensure accuracy of data in Focus; and (iv) completion of the data verification exercise.	31 July 2021
3	The UNHCR Representation in Zimbabwe should implement an action plan that addresses the weaknesses identified in the audit regarding selection and retention of partners, budgeting and development of agreements, and monitoring of project implementation.	Important	O	Submission to OIOS of the action plan addressing weaknesses in: (i) partner selection including a cost-benefit analysis on whether to use partners or implement directly; (ii) review of partner project agreements and budgets; and (iii) financial and performance monitoring reports.	31 March 2021
4	The UNHCR Representation in Zimbabwe, in cooperation with the Regional Bureau for Southern Africa, should strengthen its emergency preparedness by conducting risk analyses and preparedness actions.	Important	O	Submission to OIOS of: (a) risk analyses reports; (b) minimum and advanced preparedness actions report; and (c) copy of scenario based contingency plans.	31 March 2021

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Please note the value C denotes closed recommendations whereas O refers to open recommendations.

<sup>4</sup> Date provided by UNHCR in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
5	The UNHCR Representation in Zimbabwe, in cooperation with the Regional Bureau for Southern Africa, should review its livelihoods activities and develop an action plan to address the identified shortcomings so that project objectives are achieved.	Important	O	Submission to OIOS of: (i) an updated country specific livelihoods strategy and SOPs that include an exit strategy; (ii) an advocacy plan for the lifting of restrictions; and (iii) implementation of an action plan to address the identified shortcomings in the irrigation project and in land allocation to PoCs.	31 December 2021
6	The UNHCR Representation in Zimbabwe, in cooperation with the Regional Bureau for Southern Africa, should develop and implement standard operating procedures for: (i) needs assessment; (ii) identification of beneficiaries; (iii) storage and warehousing; and (iv) monitoring of distribution.	Important	O	Submission to OIOS of: (i) copy of NFI needs assessment report; (ii) revised SOPs for NFI management and distribution that are aligned to UNHCR guidance; and (iii) documentation to support distribution.	31 July 2021
7	The UNHCR Representation in Zimbabwe, in collaboration with the Regional Bureau for Southern Africa, should undertake a comprehensive review of its procurement function and processes and prepare a time bound action plan for addressing the systemic issues raised in this audit.	Important	O	Submission to OIOS of documentary evidence of implementation of an action plan addressing: (i) the need for a comprehensive procurement plan; (ii) capacity gaps in the supply function; and (iii) areas of non-compliance identified in the audit.	31 July 2021

# **APPENDIX I**

## **Management Response**

## Management Response

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

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Zimbabwe, in collaboration with the Regional Bureau for Southern Africa, should: (i) review its organigram and staffing to reinforce its control environment; (ii) develop an action plan to ensure all pending recommendations related to the reviews undertaken previously are implemented; and (iii) review and update the risk register to ensure its comprehensiveness.	Important	Yes	Representative  Assistant Programme Officer	31 July 2021	(i) The Representation will continue to review its organigram and staffing to reinforce its control environment in view of the limited staffing budget. A full comprehensive staffing needs review was undertaken in June 2020 resulting in a prioritization exercise given limited resources. Two positions (supply, external relations) were created. A more in-depth discussion on the reporting lines and structure of existing staffing will be carried out before the end of 2020, with the aim of maximizing the use of existing staff and AWF and ensure to the extent possible segregation of duties, etc. A substantive Representative and Head of Field Office have been appointed as part of the measures to reinforce the control environment.  (ii) The Representation will develop an action plan to ensure that all pending recommendations

<sup>5</sup> 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.

<sup>6</sup> 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.



Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>related to previous reviews are undertaken.</p> <p>(iii) In consultation with the Regional Bureau, the Representation is currently in the process of reviewing the risk register to ensure its comprehensiveness.</p>
2	<p>The UNHCR Representation in the Zimbabwe in cooperation with the Regional Bureau for Southern Africa should reinforce its strategic and operational planning processes to ensure: (i) proper prioritization of needs; (ii) optimal allocation of limited resources; and (iii) reliable data for decision making.</p>	Important	Yes	<p>Representative Protection Officer</p> <p>Assistant Programme Officer</p>	31 July 2021	<p>(i) In consultation with Regional Bureau, the Representation will prioritize its needs guided by the available resources and in alignment with the Southern Africa Region strategic priorities. A meeting between RBSA and the Representation on the 2021 priorities has been held. The Representation also conducted a detailed planning meeting from 17 to 18 November 2020 with stakeholders as part of the prioritization of needs process.</p> <p>The Regional Bureau as part of its oversight role will monitor the preparation of the 2021 plan to ensure coherence with agreed strategies and priorities, but also to provide relevant programmatic support and guidance as required. It will conduct quality control of the detailed plan (detailed budget, results, narrative) by a Bureau multi-function team prior to finalization of the detailed plan.</p>

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>(ii) A meeting with government stakeholders both at the national and district levels has also been held to ensure inclusion of refugees into national plans as a way of ensuring optimal allocation of limited resources. NGOs, UN Agencies and donors have been involved in a mapping exercise in the Chipinge District where the refugee camp is located. This has included the participation of potential operational partners in the HRP process under the refugee chapter.</p> <p>(iii) The Representation will undertake a joint fact-finding mission in collaboration with the Government to verify the Mozambican asylum seekers reported to be in villages along the borders to ensure updated, and accurate data for decision making. The Representation will ensure that year end performance results are consistent with underlying records. The Representation will also ensure investigation and documentation of results which fall outside of set baselines for decision making.</p>
3	The UNHCR Representation in Zimbabwe should implement an action plan that addresses the weaknesses identified in the	Important	Yes	-	31 March 2021	(i) The Representation will conduct a desk review in 2020 for retention of partners in 202. This

<b>Rec. no.</b>	<b>Recommendation</b>	<b>Critical<sup>5</sup>/ Important<sup>6</sup></b>	<b>Accepted? (Yes/No)</b>	<b>Title of responsible individual</b>	<b>Implementation date</b>	<b>Client comments</b>
	audit regarding selection and retention of partners, budgeting and development of agreements, and monitoring of project implementation.			Assistant Programme Officer		<p>will include the risk assessment and determination of controls for retained partners in line with UNHCR -AI-2020-11.</p> <p>(ii) The Representation will also jointly discuss and document partner shortcomings in the implementation of 2020 activities.</p> <p>(iii) The Representation will also develop risk-based performance monitoring plans for 2021 project partnership agreements. The Regional Bureau will provide support and guidance to the operation as needed to address the weaknesses identified.</p>
4	The UNHCR Representation in Zimbabwe, in cooperation with the Regional Bureau for Southern Africa, should strengthen its emergency preparedness by conducting risk analyses and preparedness actions.	Important	Yes	Representative  Protection Officer	31 March 2021	(i) The Representation has appointed an emergency /HALEP focal point for the operation. The Representation has also conducted a risk analysis for the Mozambican situation. Minimum Preparedness Plans are in the process of being developed as per the guidance based on the outcomes of the risk analysis. The Representation will also conduct a risk analysis for natural disasters such as floods which might lead to IDPs and develop a contingency plan with scenarios.
5	The UNHCR Representation in Zimbabwe, in cooperation with the Regional Bureau for	Important	Yes		31 December 2021	(i) The Representation will update its livelihoods strategy and align

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	Southern Africa, should review its livelihoods activities and develop an action plan to address the identified shortcomings so that project objectives are achieved.			- Representative  Senior Programme Associate		it with the Refugee Livelihoods and Economic Inclusion: 2019-2023 Global Strategy Concept Note. The Representation will continue to advocate for lifting of reservations to the 1951 convention in line with government pledges including but not limited the review of the refugee act.
6	The UNHCR Representation in Zimbabwe, in cooperation with the Regional Bureau for Southern Africa, should develop and implement standard operating procedures for: (i) needs assessment; (ii) identification of beneficiaries; (iii) storage and warehousing; and (iv) monitoring of distribution.	Important	Yes	Representative  Supply Associate  Protection Officer  Registration team	31 July 2021	(i) The Representation will develop and implement standard operating procedures in (i) needs assessments, (ii) identification of beneficiaries, (iii) storage and warehousing; and (iv) monitoring of distributions.  (ii) The Representation, in consultation with the Regional Bureau, will prepare a Concept Note and action plan for 2020 – 2021. The Action Plan will include measures to further strengthen the technical capacity of UNHCR and partners in Zimbabwe. It details plans for the improved collection and management of data for respective various populations of concern and suggests more evidence-based and data-driven approaches for the identification of beneficiaries, and the systematic monitoring of assistance distributions. It also

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						proposes the achievement of these goals through the further engagement of Government, partners and competent UN agencies and organizations.
7	The UNHCR Representation in Zimbabwe, in collaboration with the Regional Bureau for Southern Africa, should undertake a comprehensive review of its procurement function and processes and prepare a time bound action plan for addressing the systemic issues raised in this audit.	Important	Yes	Representative  Supply Associate  Assistant Programme Officer	31 July 2021	(i) The Representation in consultation with the Regional Bureau has created a position of Supply Associate (FTA) for 2021. The Representation will also develop a detailed procurement plan which will be regularly reviewed. The Representation will submit post-facto notifications for 2020 procurement of rent, security services, fuel and air travel. Procurement for vendors with cumulative values that went beyond the \$40,000 and \$250,000 thresholds will be submitted to the relevant committee on contracts. The Representation will also ensure that all LCC members are certified by conducting the on-line training on Committees on Contracts in UNHCR