



INTERNAL AUDIT DIVISION

REPORT 2020/057

Audit of the management of cash-based interventions in the operations in Africa for the Office of the United Nations High Commissioner for Refugees

There was a need to strengthen strategic planning and oversight mechanisms to better implement cash-based interventions in the three regions in Africa

17 December 2020

Assignment No. AR2019-111-09

Audit of the management of cash-based interventions in the operations in Africa 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 management of cash-based interventions (CBI) in Africa for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the countries in Africa were managing the delivery of services to persons of concern (PoCs) through the CBI approach in a cost-effective manner and in accordance with UNHCR's strategy and policy requirements. The audit covered the period from 1 January 2017 to 31 December 2019 and included review of: (a) strategic planning and implementation; (b) coordination; and (c) strategy monitoring and reporting.

Although UNHCR's scale up of CBI doubled globally in line with its 'Strategy for the Institutionalization of Cash-Based Interventions 2016-2020', the level of growth in African operations was relatively slow, with only a 26 per cent increase of CBI as a modality of assistance to PoCs by the end of 2019.

OIOS made five recommendations. To address issues identified in the audit, the three UNHCR Regional Bureaux in Africa in consultation with the Division of Resilience and Solutions needed to:

- Develop action plans to scale up CBI in Africa, including strengthening Representations' capabilities to roll out and scale up cash assistance in a timely and cost-effective manner;
- Reinforce guidance on building effective strategic partnerships and collaborations that support the operationalization of inter-agency common cash delivery systems at country level and mainstream CBI into Representations' protection and programme processes;
- Ensure that Representations build robust organizational structures that support the CBI roll out and scale up;
- Adapt UNHCR's performance framework to include specific indicators that measure results related to CBI; and
- Ensure Representations' monitoring systems and accountability frameworks prioritize the measurement of CBI performance.

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

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Audit of the management of cash-based interventions in the operations in Africa 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 management of cash-based interventions (CBI) in Africa for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. CBI can deliver protection and durable solutions to refugees and other persons of concern (PoCs) with greater dignity and in a more efficient and effective manner. The UNHCR Strategy for the Institutionalization of CBI (2016-2020) requires Representations to expand CBI as a modality for delivering assistance to PoCs wherever appropriate. UNHCR has since 2012 expanded the use of CBI in different protection and programmatic areas, including education, shelter, water, sanitation and hygiene, health and food security and prevention of sexual and gender-based violence. By 2019, UNHCR had distributed \$2.4 billion as cash assistance to more than 20 million PoCs globally in over 100 operations.

3. Country Representatives under the oversight of the Regional Bureau Directors and with support from the Division of Programme Support and Management,¹ CBI Section were responsible for expanding the use of CBIs. UNHCR's CBI Section was established in 2014 to ensure that institutionalization reached field operations in a sustainable manner through the development and dissemination of guidance to Representations implementing CBIs and provision of support, where necessary.

4. CBI was initially rolled out under the former Bureau for Africa and responsibilities were transferred to the three newly established Regional Bureau Directors (East, Horn of Africa and the Great Lakes, West Africa and Central Africa and Southern Africa) after UNHCR's regionalization in January 2020. The Bureau for Africa embarked on the institutionalization of CBI in 2016 considering the different operational contexts i.e. assistance, protection and solutions in their countries. Cash-based assistance in Africa amounted to \$210 million in the four-year period from 2016 to 2019.

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 countries in the three regions in Africa were managing the delivery of services to PoCs through the CBI approach in a cost-effective manner and in accordance with UNHCR's strategy and policy requirements, with due regard to the risks that it was exposed to in the context in which it operated.

7. This audit was included in the 2019 risk-based work plan of OIOS due to the challenges in the scale up of CBI in the operations in the Africa region in line with the global targets and strategies.

8. OIOS conducted this audit from December 2019 to April 2020. The audit covered the period from 1 January 2017 to 31 December 2019. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in CBI namely: (a) strategic planning and implementation; (b) coordination; and (c) strategy monitoring and reporting.

¹ CBI is now under the newly set up Division of Resilience and Solutions.

9. As part of this audit, OIOS conducted field work in eight countries namely, Cameroon, Central African Republic (CAR), Chad, Democratic Republic of the Congo (DRC), Ethiopia, Kenya, Rwanda and Somalia. At the country level, the audit covered: (a) programme design and planning; (b) beneficiary selection and targeting; (c) financial and operational controls; (d) procurement and contract management; (e) post distribution monitoring (PDM) and impact evaluation; (f) exit strategies and graduation of recipients; (g) inter-agency and partner coordination; and (h) partnership management. Specific findings can be found in the respective country audit reports.

10. The audit methodology included: (a) interviews of key personnel; (b) review of relevant documentation; (c) analytical reviews of data, including financial data from Managing for Systems, Resources and People (MSRP), the UNHCR enterprise resource planning system, and performance data from Focus, the UNHCR results-based management system, through Global Focus Insight; (d) review of data extracted from Profile Global Registration System (ProGres), a UNHCR registration and case management system and other operational data management tools used in the region; (e) sample testing of controls; and (f) visits to selected UNHCR offices and partners.

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

III. AUDIT RESULTS

A. Strategic planning and implementation

Bureaux needed to develop action plans to drive the scale up of CBI within the region and ensure Representations have the necessary capacity and tools

(a) Inadequate strategic planning related to the scaling up of CBI in Africa

12. UNHCR's vision was to scale up cash assistance by doubling the funding programmed through CBI over a five-year period ending in 2020. UNHCR reported a general upward trend for CBI world-wide, with a 100 per cent increase from \$325 to \$646 million from the 2015 baseline to 2019. However, in Africa, CBI only increased by 26 per cent over the same period from \$40 million in 2015 to \$50.5 million in 2019 against a target of \$80 million.

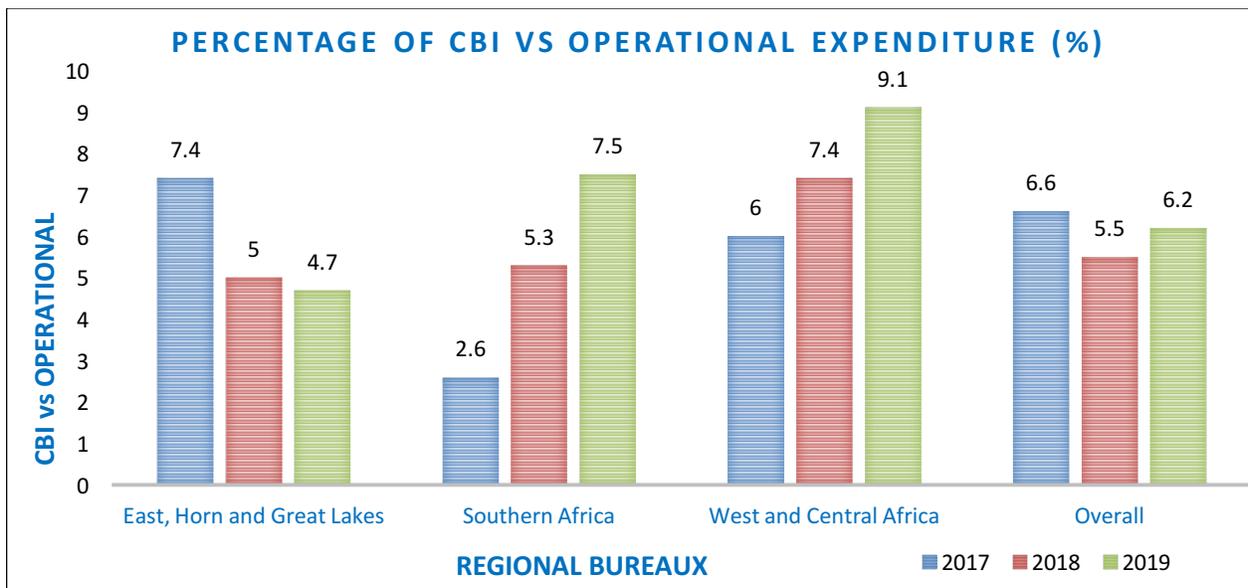
13. Representations in Africa were not set to meet the established CBI global targets, despite hosting 39 per cent of PoCs supported by UNHCR and accounting for 31 per cent of its overall operating budget. This was due to the absence of regional CBI strategies to drive the achievement of the global target of doubling CBI. Also, while appreciating challenges faced by some Representations in Africa, such as working with large government partners that in some cases had restrictive policies related to PoCs, this should not have hindered progress in developing plans to drive CBI institutionalization as a modality of service delivery.

14. Representations often continued with traditional approaches of distributing in-kind assistance. The audit noted that none of the eight Representations reviewed had conducted cost-benefit analyses to determine which modality (CBI or/in kind assistance) was more advantageous, particularly considering the significant logistical challenges faced in countries such as DRC and Ethiopia in the delivery of non-food items. Moreover, CBI was mostly used for providing assistance in refugee and repatriation situations and not those related to Internally Displaced Persons (IDPs) or emergency operations. Therefore, while CBI was exceeding in-kind assistance at the UNHCR global level, it was not in its African operations. At the

global level, CBI as a modality of service provision stood at \$646 million against in-kind assistance at \$383 million. Africa on the other hand had CBI at \$50 million against in-kind assistance at \$150 million.

15. Consequently, contrary to the global direction, there was a decline in funding programmed through CBI as a percentage of the operational expenditure per Regional Bureaux in Africa as shown in the Graph 1. This was mainly attributable to a reduction in the Somalia’s return and reintegration programme:

Graph 1: CBI versus operational expenditure



16. However, the recent establishment of three new Regional Bureaux presented an opportunity to develop strategies and action plans and build Representations’ capacity to scale up CBI.

(b) Need for further capacity building on CBI

17. The UNHCR’s global strategy called on Representations to become “CBI proficient” by 2020, but there was still varying levels of knowledge and skills in Representations. For instance, seven Representations rolled out CBI without having experts to support the design, management and monitoring of the programme. Five of these Representations subsequently received CBI experts leaving two still without any at the time of the audit. The Regional Bureaux and Representations had not at the time of the audit taken sufficient action to increase their staff’s knowledge and skills of CBI.

18. This may have been caused as the former Bureau for Africa’s did not systematically: (i) identify resource gaps by conducting capacity assessments that mapped available expertise against that required for CBI scale up; (ii) allocate the limited staffing resources to countries with greater CBI scale up opportunities such as Somalia; and (iii) address frequent staff movements that created gaps between deployments impacting implementation of CBI programming. Moreover, while training workshops were conducted in the countries sampled, its effectiveness was also impacted by staff redeployments, with those trained moving to other operations outside the region. Additionally, only two trainings targeting senior management had been conducted since 2016, yet they were critical drivers in ensuring buy-in, commitment and support to the roll out and scale up of CBI.

(c) Applicable tools for managing CBI needed to be installed and used

19. Since the introduction of CBI in 2015, it was only in 2020 that CashAssist was commissioned and rolled out to support the processing of transactions. CashAssist is an end-to-end cash management system that is expected to increase transparency and integrity within CBI processes. The pace of its roll out in Africa; however, was slow mainly as most Representations were not yet using ProGres version 4, a prerequisite for implementing CashAssist. The main hindrance to many operations transitioning from ProGres 3 to 4 was lack of internet connectivity in their respective countries.

20. Of the Representations reviewed, OIOS noted that they were not generally making use of other UNHCR systems to improve efficiency and strengthen controls around the CBI programme. For example, instead of implementing systems to automate financial processing such as CashAssist, Representations used manual systems to: generate beneficiary lists, send instructions to Financial Services Providers (FSPs) and reconcile payments to financial records and ProGres. Further, the Representations did not make use of the available systems such as the Biometric Identity Management System and the Global Distribution Tool to manage the cash distributions. These practices exposed Representations to error, and increased risk of financial loss and fraud.

(d) Procedures to guide the implementation of CBI needed to be updated

21. All Representations had standard operating procedures (SOPs) for their CBI programme, but some of them were outdated and thus did not provide adequate guidance on CBI implementation. For example, of the SOPs reviewed they did not include selection criteria to prioritize the most vulnerable and had limited guidance on post distribution monitoring, a requirement for all Operations distributing any form of assistance. Also, contrary to UNHCR Operational Guidance for CBI in Displacement Settings, all of the Representations did not have exit strategies that detailed criteria to guide decisions regarding the expansion or phasing-out of CBI and a communication strategy to inform beneficiaries on such decisions.

22. The lack of adequate SOPs and other guidance may be partly due to the need for UNHCR Divisions and Services to comprehensively review their policies, toolkits and guidelines and incorporate CBI as a preferred mode of service delivery. This was because, although to some extent these documents mainstreamed the use of CBI, it was still limited and was not always consistently aligned with the UNHCR Manual. For example, the policy on Emergency Preparedness and Response (2019) encouraged operations to systematically and proactively consider the use of cash as a priority and stated that the responsibility for implementation of CBI was with Regional Bureaux, but the UNHCR Manual stated it was assigned to Representations. OIOS also noted varying levels of implementation of the policies, tools and guidelines across the countries reviewed. As this is a corporate issue and touches on many aspects of UNHCR work, OIOS did not raise a recommendation in this report.

23. The lack of strategic planning, requisite staff capacity and tools as well as robust guidance impacted not only the extent of the scale up but also the quality of the CBI programmes. This resulted in many of the CBI related audit results contained in OIOS country reports. For example, gaps in the implementation of UNHCR requirements in Chad (2019/103, dated 8 November 2019) contributed to the risk of fraud identified during the audit. The lack of reconciliations in the Central Africa Republic (2019/081, dated 28 August 2019) report meant that OIOS could not provide assurance that cash was distributed to bona fide beneficiaries.

- (1) The three UNHCR Regional Bureaux in Africa should: (i) develop action plans and monitoring mechanisms to scale up and implement cash-based interventions (CBI) in Africa; and (ii) in consultation with the Division of Resilience and Solutions, review Representations' systems and resources and take action to strengthen their capabilities to roll out and scale up CBI in a secure, accountable and cost-effective manner.**

UNHCR accepted recommendation 1 and stated that: (i) CBI is a modality of assistance that is utilized to contribute to the protection and solutions outcomes set by each Representation and its use is dependent on each specific context; (ii) the three Regional Bureaux would each develop a high level action plan that would include the regional guide on the potential use of CBI based on the individual contexts of the operations, the capabilities and capacity building, and the monitoring requirements; and (iii) CashAssist is currently rolled out in nine countries in Africa, and would be mandatory by the end of 2021 for operations with cash plans of over \$50,000 per annum. Recommendation 1 remains open pending receipt of documentary evidence of: (i) Regional Bureaux action plans including mechanisms to implement and monitor CBI; (ii) roll-out and implementation of CashAssist to operations in Africa; and (iii) action plans to strengthen Representations' capabilities to implement CBI.

B. Coordination

Representations needed to build robust structures and effective partnerships to support the scale up of CBI

(a) Need to build robust strategic partnerships

24. In line with its drive to have Representations build strategic, operational and implementation partnerships, and commercial relationships, UNHCR reached agreement with three other United Nations agencies to create a common cash delivery system to avoid duplication of support to beneficiaries as well as achieve delivery efficiency and cost-effectiveness. However, more guidance was needed both at the global and Bureau level to support its operationalization at the country level. For instance, this called for further definition of roles and arrangements as well as development of guidance to reflect how this common system would work.

25. When considering partnerships and commercial relationships, Representations needed to conduct proper due diligence to ensure that there were a good fit and effective controls between the respective programmes otherwise intended benefits of common cash delivery systems would not be realized. For instance, the Representation in Rwanda piggy backed on another agency and used their joint financial service provider contract without conducting proper due diligence. This resulted in challenges once implementation was underway since it was unable to trace transactions in the bank to beneficiaries and this called for a programme redesign to ensure proper accountability for CBI funds. Other Representations participated in cash working groups that brought together the country's operating partners implementing CBI, but their deliberations did not progress into effective collaboration. In such circumstances, the parallel systems amongst operational agencies raised the risk of duplication of assistance to beneficiaries as well as cost inefficiencies.

(b) Need to strengthen internal coordination within UNHCR Units

26. UNHCR's emphasis was that CBI is not a programme but a modality for service delivery and therefore, it should be mainstreamed into programmes and not be managed independently. However, contrary to expectations, CBI objectives were not mainstreamed into the processes of the different areas of work e.g. protection, procurement etc. Instead necessary capabilities, systems, processes and procedures

to guide and support the institutionalization of CBI were primarily rolled out by the CBI Section as opposed to being mainstreamed into processes run by the respective Divisions and Services. Consequently, CBI was perceived as an add-on as opposed to being part and parcel of areas it supported in country operations.

27. At the country level, CBI was not effectively mainstreamed into the planning and decision-making processes; with limited consideration given to its inclusion in broader protection and solutions strategies in all the countries reviewed. For instance, two of the three countries that had developed multi-year, multi-partner protection and solutions strategies did not indicate that CBI was the preferred mode of service delivery nor articulate how it would be expanded to meet UNHCR's global targets. Also, in the eight Representations reviewed, CBI was not adequately considered when conducting participatory needs assessments during their annual planning process. Therefore, information was not collected regarding what PoCs' preferred modality for service delivery was for decision making. Similarly, Representations in DRC, Cameroon and Chad did not proactively consider CBI when planning for influxes and displacements during emergencies. This impacted the roll out and scale up of CBI.

28. There were also indications that when developing country programmes, there was limited coordination among relevant Units in the Representations. For example, the audit found that protection units that should be equally engaged in the CBI processes were not systematically involved in its design, delivery and monitoring. Also, multifunctional teams in Representations that supported programme planning predominantly left the CBI roll out to CBI staff, whose capacity as mentioned above was limited. Representations' human resource units did not assess the adequacy of internal staff capacity to roll out and scale up CBI. Furthermore, staff job descriptions particularly in programme and protection were not amended to reflect their anticipated role in design, implementation and monitoring of CBI programmes. Consequently, the role of CBI officers in the Africa Region related primarily to the processing of payments and they did not undertake any programmatic work on CBI.

29. Additionally, supply units did not conduct market assessments and price monitoring to ensure up to date information was available regarding the adequacy of cash provided to beneficiaries in meeting their needs. Finance Units did not assess what FSP options were available in the market, which was important considering the increased focus by governments on enforcing financial regulations. For instance, CBI processes stalled for one caseload in Kenya because PoCs did not have personal identification documents, a pre-requisite for opening bank accounts.

30. Inadequate coordination structures and ineffective partnerships at country level impacted Representation's ability to fully realize efficiency and effectiveness opportunities that cash assistance presented. Inadequate coordination across the Units in the Representation also affected the delivery of quality CBI with effectiveness and integrity.

(2) The UNHCR Division of Resilience and Solutions should: (i) reinforce its guidance on building effective strategic partnerships and collaborations to drive the operationalization of inter-agency common cash delivery systems at country level; and (ii) coordinate and provide technical support to Divisions and Services so that Cash-Based Interventions objectives are mainstreamed into the respective areas of work at Headquarters level.

UNHCR accepted recommendation 2 and stated that: (i) dedicated country support was provided to country operations on the collaborative cash approaches both through guidance, but also joint coordinated joint calls with the United Nations Common Cash System (UNCSS) agencies. Key joint guidance had been issued to support common cash delivery at country level. UNHCR would share the common UNCSS guidance with OIOS; and (ii) the coordination of CBI at Headquarters is interdivisional and coordinated through the Core Cash Team. Adequate CBI related staffing had been placed in the key Divisions to allow for the second line of defence roles. UNHCR would share the

dedicated CBI staffing placed in the Divisions, the terms of reference of the CCT and relevant guidance to demonstrate that CBI has been effectively mainstreamed into the respective areas at Headquarters level. Recommendation 2 remains open pending receipt of evidence that: (i) additional guidance has been issued on building strategic partnerships and collaborations to drive the operationalization of a common cash delivery system at country level; and (ii) technical support has been provided to Divisions and Services to mainstream CBI objectives into the respective areas of work at the Headquarters level.

- (3) The three UNHCR Regional Bureaux in Africa region should ensure Representations build robust organizational cash-based interventions (CBI) structures that support the roll out and scale up of CBI.**

UNHCR accepted recommendation 3 and stated that as part of the decentralization process in UNHCR, CBI positions had been created with a strong focus of capacities in country operations that have complex operating environments. The three Regional Bureaux would share evidence of the setup of the CBI structures and available capacities in the operations identified as key for the use of CBI. Recommendation 3 remains open pending receipt of evidence that appropriate organizational structures are established for those countries identified as key to the CBI scale up and that the internal coordination challenges identified in the audit are addressed.

C. Strategy monitoring and reporting

There was a need to strengthen monitoring and reporting on the CBI programme to improve its impact

- (a) Need to develop performance frameworks which include specific indicators that measure results related to CBI

31. The UNHCR CBI strategy did not have a performance framework for accountability and to measure progress in the institutionalization of CBI at the global, Bureau and country level. For instance although there was a clear vision that UNHCR aimed to double CBI by 2020, there were challenges in implementing and monitoring progress as: (i) the indicator was not defined and resulted in varied interpretations by stakeholder at Bureau and country level; (ii) no baselines against which outcomes would be measured were provided; and (iii) it was not broken down into annual targets against which progress could be measured.

32. Moreover, global CBI targets were not set at the Bureau and Representation level as a basis against which CBI performance could be measured and underperformance identified for mitigation. OIOS was informed that the former Bureau for Africa had established an aspirational target of 12 per cent of operational expenditure for all countries in 2017/18. However, this was not formalized, and it did not consider the varying opportunities, capacities and challenges or limitations of each Representation to implement CBI. Additionally, while the 12 per cent 'target' was not met across most of the eight countries visited, underlying reasons were not identified, nor action taken to address the reasons for the shortfall.

33. At the time of the audit, the results-based management system (Focus) had not been adapted to measure CBI performance. No indicators were developed to measure outputs and impact of CBI. This was because it was defined as a service delivery modality and not a programme. The effectiveness of CBI was supposed to be attached to the protection areas it supported, and so no attribution could be made. However, this rationale could not be supported for multipurpose grants that were not tied to any specific protection area. In the absence of properly defined indicators, Representations resorted to reporting on the number of households receiving cash grants, for which this indicator in isolation did not provide meaningful information for decision making. They also reported the volume of CBI expenditure, but instances were noted where misclassification of payments resulted in inaccurate numbers reported in CAR and Chad.

(b) Need to strengthen oversight over the Representation's implementation of CBI

34. Further, the former Bureau for Africa did not implement mechanisms to ensure that CBI programmes were effectively monitored to ensure their strategic objectives were achieved. For example, Representations' failure to make timely CBI payments had implications for its effectiveness as a modality for service delivery. The lack of monitoring also impacted the Bureau's ability to identify such key lapses in controls in a timely manner, impacting the achievement of related strategic objectives.

35. While there was evidence of oversight by the Global Cash Operations and the Division of Financial and Administrative Management, this was not the case with the former Bureau for Africa. Several reviews and evaluations were conducted at the global level regarding CBI implementation, but they did not cover Representations in Africa. While this was understandable given the limited progress being made, the Bureau for Africa missed an opportunity to learn lessons and institute measures to mitigate obstacles in implementing CBI programmes.

(c) Need to strengthen the monitoring of the effectiveness of the CBI as a modality for service delivery

36. None of the Representations audited had evaluated their CBI programmes to assess: (a) how effective they were as a service modality; and (b) changes in protection risks and benefits, specific needs and vulnerability. Such evaluations would have resulted in lessons learned and could have assisted in reprogramming if necessary. Representations did not periodically assess if the implementation of CBI had unintended consequences e.g. on local commodity market prices. In some cases, such as in DRC, CBI implementation created price fluctuations, and this adversely affected the relationship between PoCs and host communities.

37. Multi-functional teams were in place in all Representations, but they focused primarily on protection and programme areas with limited, if at all any, coverage of CBI matters. The risk-based plans prepared by Representations did not prioritize CBI for inclusion as part of their monitoring work plan. That said, project control in most countries reviewed CBI transactions although their coverage was limited. Additionally, seven Representations did not conduct timely post distribution monitoring to assess the quality, sufficiency, utilization and effectiveness of CBI as a modality of assistance to PoCs.

38. The lack of CBI monitoring also meant that Representations were unable to identify obstacles to its implementation in a timely manner and thus redesign the modality so that programmes achieved their objectives. It also resulted in the failure to identify weaknesses in internal controls e.g. that all Representations did not prepare reconciliations of cash disbursements as required. Consequently, they were unable to detect any inappropriate cash disbursements in a timely manner. Two of the Representations had fraud reported within the CBI programme and they had not instituted measures at the time of the audit to address the root causes.

39. The CBI strategy acknowledged the need to adapt UNHCR's current monitoring and reporting systems to CBIs, with new indicators required to measure related results, but this had not been done at the time of the audit. The three newly established Bureaux in Africa were at the preliminary stages of putting oversight structures in place and it was expected that this could cover CBI programmes as well.

<p>(4) The UNHCR Division of Resilience and Solutions should work with the Division of Strategic Planning and Results to adapt UNHCR's performance framework to include specific indicators to measure results related to cash-based interventions.</p>
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UNHCR accepted recommendation 4 and stated that ‘The UNHCR Results Based Management’ framework coordinated by the Division of Strategic Planning and Results, includes outcome areas related to cash assistance. Recommendation 4 remains open pending receipt of evidence that performance indicators have been developed for measuring and reporting on results related to CBIs as part of the UNHCR Results Based Management framework.

- (5) The three UNHCR Regional Bureaux in Africa should build a cash-based interventions monitoring system and accountability framework that: (i) sets targets for relevant performance indicators at Bureau and country level considering the circumstances in their respective environments; (ii) measures performance against set targets and objectives and supports the redesign programmes where necessary; and (iii) ensures Representations’ compliance with mandatory monitoring requirements defined in UNHCR guidelines.**

UNHCR accepted recommendation 5 and stated that: (i) UNHCR had an accountability framework for CBI monitoring and that the regional action plans would include the monitoring framework for CBI, in line with UNHCR’s corporate tools, as well as measure the performance targets; (ii) the monitoring would be compiled bi-annually and annually. The mid-year CBI monitoring of each bureau would be shared with OIOS; and (iii) all Representations with direct CBI implementation in 2020, would have conducted a PDM and hence be compliant with mandatory monitoring requirements defined in UNHCR guidance. Recommendation 5 remains open pending receipt of documentary evidence that the CBI monitoring system and accountability framework includes: (i) adequate targets for relevant performance CBI indicators at Bureau and country level considering the unique circumstances in their respective environments; (ii) measurement of actual performance against set targets and objectives tailored to hold country operations accountable for the scale up of CBI; and (iii) the requirement of mandatory PDM and performance monitoring as defined in UNHCR guidelines.

IV. ACKNOWLEDGEMENT

40. 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 management of cash-based interventions in the operations in Africa for
the Office of the United Nations High Commissioner for Refugees**

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	The three UNHCR Regional Bureaux in Africa should: (i) develop action plans and monitoring mechanisms to scale up and implement cash-based interventions (CBI) in Africa; and (ii) in consultation with the Division of Resilience and Solutions, review Representations' systems and resources and take action to strengthen their capabilities to roll out and scale up CBI in a secure, accountable and cost-effective manner.	Important	O	Receipt of documentary evidence of: (i) Regional Bureaux action plans including mechanisms to implement and monitor CBI; (ii) roll-out and implementation of CashAssist to operations in Africa; and (iii) action plans to strengthen Representations' capabilities to implement CBI.	31 December 2021
2	The UNHCR Division of Resilience and Solutions should: (i) reinforce its guidance on building effective strategic partnerships and collaborations to drive the operationalization of inter-agency common cash delivery systems at country level; and (ii) coordinate and provide technical support to Divisions and Services so that Cash-Based Interventions objectives are mainstreamed into the respective areas of work at Headquarters level.	Important	O	Receipt of documentary evidence that: (i) additional guidance has been issued on building strategic partnerships and collaborations to drive the operationalization of a common cash delivery system at country level; and (ii) technical support was provided to Divisions and Services to mainstream the CBI objectives into the respective areas of work at the Headquarters level.	31 December 2020
3	The three UNHCR Regional Bureaux in Africa region should ensure Representations build robust organizational cash-based interventions (CBI) structures that support the roll out and scale up of CBI.	Important	O	Receipt of documentary evidence that appropriate organizational structures have been established for those countries identified as key to the CBI scale up and that the internal coordination challenges identified in the audit have been addressed.	31 March 2021
4	The UNHCR Division of Resilience and Solutions should work with the Division of Strategic Planning	Important	O	Receipt of documentary evidence that performance indicators have been developed for	31 December 2020

² 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.

³ 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.

⁴ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁵ Date provided by UNHCR.

STATUS OF AUDIT RECOMMENDATIONS

**Audit of the management of cash-based interventions in the operations in Africa for
the Office of the United Nations High Commissioner for Refugees**

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	and Results to adapt UNHCR's performance framework to include specific indicators to measure results related to cash-based interventions.			measuring and reporting on results related to CBIs as part of the UNHCR Results Based Management framework.	
5	The three UNHCR Regional Bureaux in Africa should build a cash-based interventions monitoring system and accountability framework that: (i) sets targets for relevant performance indicators at Bureau and country level considering the circumstances in their respective environments; (ii) measures performance against set targets and objectives and supports the redesign programmes where necessary; and (iii) ensures Representations' compliance with mandatory monitoring requirements defined in UNHCR guidelines.	Important	O	Receipt of documentary evidence that the CBI monitoring system and accountability framework includes: (i) adequate targets for relevant performance CBI indicators at Bureau and country level considering the unique circumstances in their respective environments; (ii) measurement of actual performance against set targets and objectives tailored to hold country operations accountable for the scale up of CBI; and (iii) the requirement of mandatory PDM and performance monitoring as defined in UNHCR guidelines.	31 July 2021

APPENDIX I

Management Response

Management Response

**Audit of the management of cash-based interventions in the operations in Africa for
the Office of the United Nations High Commissioner for Refugees**

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The three UNHCR Regional Bureaux in Africa should: (i) develop action plans and monitoring mechanisms to scale up and implement cash-based interventions (CBI) in Africa; and (ii) in consultation with the Division of Resilience and Solutions, review Representations' systems and resources and take action to strengthen their capabilities to roll out and scale up CBI in a secure, accountable and cost-effective manner.	Important	Yes	Rec (i) CBI Officer (EHAGL, WCA), Snr. Ops (SA)	31 March 2021	CBI is a modality of assistance that is utilized to contribute to the protection and solutions outcomes set by each Representation and its use is dependent on each specific context. (i)The three Regional Bureaux will each develop a high-level action plan that will include the regional guide on the potential use of CBI based on the individual contexts of the operations, the capabilities and capacity building, and the monitoring requirements as outlined in recommendation 5. (ii) Cash Assist is currently rolled out in nine countries in Africa, and will be required for operations that have regular monthly cash plans for an amount above USD 50,000 per annum. Cash Assist will be rolled out by the end of 2021 for the countries meeting the above criteria in the three Africa Bureaux.
2	The UNHCR Division of Resilience and Solutions should: (i) reinforce its guidance on building effective strategic partnerships	Important	Yes	Deputy Director DRS	31 December 2020	Dedicated country support is provided to country operations on the collaborative cash approaches both

⁶ 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.

⁷ 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.

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	and collaborations to drive the operationalization of inter-agency common cash delivery systems at country level; and (ii) coordinate and provide technical support to Divisions and Services so that Cash-Based Interventions objectives are mainstreamed into the respective areas of work at Headquarters level.					<p>through guidance, but also joint coordinated joint calls with the UNCSS agencies. Key joint guidance has been issued to support common cash delivery at country level. UNHCR will share the common UNCSS guidance with OIOS.</p> <p>(ii) The coordination of CBI at HQ is interdivisional and coordinated through the Core Cash Team. Adequate CBI related staffing has been placed in the key Divisions to allow for the second line of defence roles. UNHCR will share the dedicated CBI staffing placed in the divisions, the terms of reference of the CCT and relevant guidance to demonstrate that CBI has been effectively mainstreamed into the respective areas at Headquarters level.</p>
3	The three UNHCR Regional Bureaux in Africa region should ensure Representations build robust organizational cash-based interventions (CBI) structures that support the roll out and scale up of CBI.	Important	Yes	Deputy Director Strategic Planning and Results in EHAGL, WCA and SA	31 March 2021	As part of the decentralization process in UNHCR, CBI positions have been created with a strong focus of capacities in country operations that have a complex operating environment. The three Bureaux will share evidence of the setup of the CBI structures and available capacities in the operations identified as key for the use of CBI.
4	The UNHCR Division of Resilience and Solutions should work with the Division of Strategic Planning and Results to adapt UNHCR's performance framework to	Important	Yes	Deputy Director DRS	31 December 2020	The UNHCR Results Based Management framework, that is coordinated by the DSPR, includes outcome areas related to cash

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	include specific indicators to measure results related to cash-based interventions.					assistance. The framework and indicators will be shared with OIOS.
5	The three UNHCR Regional Bureaux in Africa should build a cash-based interventions monitoring system and accountability framework that: (i) sets targets for relevant performance indicators at Bureau and country level considering the circumstances in their respective environments; (ii) measures performance against set targets and objectives and supports the redesign programmes where necessary; and (iii) ensures Representations' compliance with mandatory monitoring requirements defined in UNHCR guidelines.	Important	Yes	Senior CBI Officer (EHAGL), Senior Monitoring Officer (WCA), Senior Operations Officer (SA)	31 March 2021 31 July 2021 31 March 2021	UNHCR has an accountability framework for CBI monitoring. The regional action plans will include the monitoring framework for CBI, in line with UNHCR's corporate tools, as well as measure the performance targets. The monitoring will be compiled bi-annually and annually. The mid-year CBI monitoring of each bureau will be shared with OIOS. All Representations with direct CBI implementation in 2020, will have conducted a PDM and will hence be compliant with mandatory monitoring requirements defined in UNHCR guidance. The final overview of the PDMs conducted will be shared with OIOS.