



## **INTERNAL AUDIT DIVISION**

### **REPORT 2022/025**

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#### **Audit of the operations in the Russian Federation for the Office of the United Nations High Commissioner for Refugee**

**The Representation needed to reinforce its strategic planning and advocacy to ensure persons of concern are not affected by its planned disengagement from service delivery**

**27 June 2022**

**Assignment No. AR2021-121-01**

# **Audit of the operations in the Russian Federation for the Office of the United Nations High Commissioner for Refugee**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of operations in the Russian Federation for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the UNHCR Representation in the Russian Federation managed the delivery of protection and other services to its persons of concern (PoCs) efficiently and effectively and in line with UNHCR's policy requirements. The audit covered the period from 1 January 2020 to 31 August 2021 and included: (a) programme planning, monitoring and reporting; (b) fair protection process and documentation; (c) durable solutions and livelihoods; and (d) favourable protection environment and government relations.

The Representation's vision is to gradually disengage from individual case management within the Russian Federation by 2023. In line with this change of strategic focus, it reduced its operations budget by 21 per cent as well as its staffing levels. However, the Representation continued providing legal assistance to PoCs to ensure they have access to asylum procedures, protection and solutions. The Representation needed to review its vision due to geopolitical changes and strengthen its strategic planning, fair protection and durable solutions processes to ensure the delivery of services to PoCs in a timely, cost-effective and sustainable manner.

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

- Strengthen its strategic direction to reflect changes in its operating environment and verify the PoC numbers used for decision making;
- Review the adequacy and effectiveness of the office staff structure and resources in meeting the priorities outlined in its strategies, and consider including provisions of withdrawal in the United Nations inter-agency Memorandum of Understanding;
- Develop and implement an action plan to address the challenges PoCs face in the asylum space, including advocacy and support for fair protection processes and documentation; and
- Develop an action plan to address the challenges PoCs face in accessing local integration.

UNHCR accepted the recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

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

## I. BACKGROUND

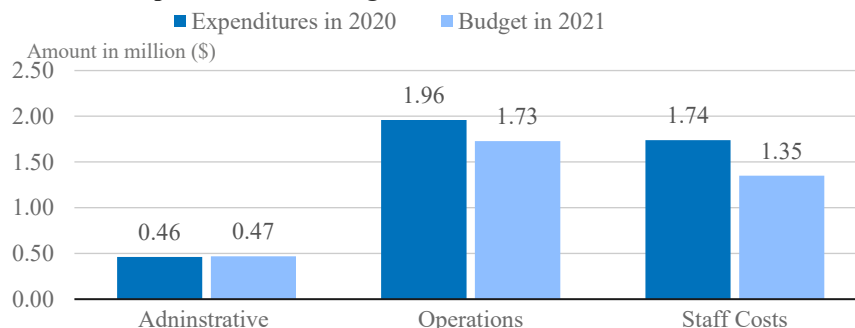
1. The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in the Russian Federation for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. The UNHCR Representation in the Russian Federation (hereinafter referred to as ‘the Representation’) started its operations in Moscow in 1992 to provide international protection and humanitarian assistance to refugees and other persons of concern (PoCs). In 1993, the Russian Federation acceded to the 1951 Geneva Convention on the status of refugees and adopted the Federal Law on Refugees. The Russian Federation signed the Global Refugee Compact in December 2018 but did not initiate the pledges. It stated that the responsibility for PoCs lay with the States that caused displacements.

3. According to the Ministry of Interior, at the end of 2020, the Russian Federation hosted 81,295 PoCs, which was 28 per cent fewer than in 2019. The decrease was attributed to the naturalization of PoCs. As of 25 May 2021, the Representation reported that there were 20,269 refugees and 853 asylum seekers, of whom 5,391 were assisted by UNHCR through implementing partners. There were also an estimated 60,185 stateless persons in the Russian Federation by the end of 2020. This reflected the remaining number of persons out of the 178,000 who declared themselves stateless during the 2010 census. Throughout 2020 about 12 per cent (8,000 out of the 60,185) obtained Russian citizenship.

4. The Representation’s protection strategy focused on facilitating the implementation of international refugee and statelessness laws by Russian authorities and providing support through its partners to persons in need of international protection and assistance. The Representation faced two major challenges in the implementation of its programmes in 2020: (i) the COVID-19 pandemic, which constrained the delivery of services to PoCs and impacted the level of advocacy and coordination with its major partners; and (ii) a 21 per cent reduction in the budget as shown in Chart 1.

**Chart 1: Expenditure and budget**



5. The Representation was headed by a Representative at the D-1 level and at the time of the audit had 17 staff positions (four international staff, and one national professional officer, 12 general service staff, and two United Nations Volunteers). The Representation worked with seven partners in 2020 and 2021 that disbursed 82 per cent and 85 per cent of the programme budgets in 2020 and 2021, respectively. It recorded expenditure of \$4.2 million in 2020 and \$2.8 million in the eight months to 31 August 2021.

6. Comments provided by UNHCR are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

7. The objective of the audit was to assess whether the UNHCR Representation in Russian Federation managed the delivery of protection and other services to its PoCs efficiently and effectively and in line with UNHCR's policy requirements.

8. This audit was included in the 2021 risk-based work plan of OIOS mainly as the Representation had not been audited since 2015, but also due to risks related to implementing its mandate in a complex environment.

9. OIOS conducted this audit from July to December 2021. The audit covered the period from 1 January 2020 to 31 August 2021. Based on an activity-level risk assessment, the audit covered: (a) programme planning, monitoring and reporting; (b) fair protection process and documentation; (c) durable solutions and livelihoods; and (d) favorable protection environment and government relations.

10. The audit methodology included: (a) interviews with key personnel, (b) review of relevant documentation, (c) sample testing of controls; and (d) analytical review of data from UNHCR Power BI, the UNHCR business intelligence application; 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. The audit was conducted remotely due to travel restrictions and therefore, OIOS was unable to assess controls that required physical observation.

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

## **III. AUDIT RESULTS**

### **A. Programme planning and resource allocation**

#### Need to strengthen strategic planning processes to support the prioritisation of the needs of PoCs

12. The Representation's strategic priorities in its Multi-Year Protection Strategy (2021-2023) were: (i) supporting the authorities in creating a more favorable protection and asylum space; (ii) increasing global awareness of UNHCR's activities within the Russian Federation, thereby expanding donor support to UNHCR; and (iii) establishing a global strategic partnership with the Russian Federation. This strategy remained fairly high level for operationalization and was likely to be impacted by the geopolitical situation. The strategy attributed most challenges that PoCs faced to the restrictive environment but no specific actions were proposed to address this, thus raising concerns about its efficacy in mitigating identified risks.

13. The Representation planned to gradually disengage from direct assistance and individual case management by 2023. However, this disengagement depended on developments beyond UNHCR's control, e.g., changes in refugee law, PoCs access to local integration and naturalization processes, and the ongoing geopolitical situation, which presented a risk of an influx of refugees into the Russian Federation. Thus, the Representation needed to articulate in its strategy the prerequisites for its responsible disengagement and the action needed for this to happen, including the risks in the strategic direction.

14. The Representation did not have reliable data for its programming and decision making. There were inconsistencies in the PoC numbers reported in different documents. For instance, proGres recorded 1,881 refugees and asylum seekers as of 31 December 2020, and this consisted of only those PoCs that approached UNHCR for assistance and thus was not comprehensive. The Government's Annual Statistics Report

placed the number at 21,122, and this is what the Representation used for planning purposes. The Representation also did not have information on all individuals' asylum application status, except for those who approached UNHCR and/or its implementing partners for assistance. Moreover, the number of PoCs who had unsuccessfully exhausted the asylum procedures and had not returned to their country of origin also remained unknown.

15. As part of its annual planning process, the Representation conducted participatory assessments to identify PoCs' needs for prioritization. These assessments raised the same issues from 2017 through 2020 regarding employment opportunities and local integration, which was an indicator that further advocacy was needed to better address the needs of PoCs. The Representation informed that its interventions were constrained by the limited self-reliance and livelihoods opportunities and legal barriers that affected PoCs' ability to access formal work.

16. The identified gaps in the Representation's strategic and operational planning processes have affected its programme design and delivery of services to PoCs. This will also affect the Representation's plans to disengage responsibly in a couple of years.

**(1) The UNHCR Representation in the Russian Federation should strengthen its strategic and operational planning processes by: (i) verifying the beneficiary numbers used for decision making; (ii) implementing recommendations from participatory assessments; and (iii) ensuring proper prioritization of areas of strategic importance during resource allocation.**

*UNHCR accepted recommendation 1 and stated that part (ii) and (iii) were implemented. The Representation would complete the verification of the beneficiaries together with its partners by 30 June 2023. It also completed the 2021 Participatory Assessment. Further, a prioritization of areas of strategic importance was done within the new RBM system COMPASS that replaced FOCUS from 2022. The plan was reviewed and endorsed by the Regional Bureau for Europe.*

## **Resource allocation**

17. The gap between the Representation's budget and available funding increased over the years, with 67.6 per cent of its requirements received in 2020. Most refugees were in a protracted situation, which made fundraising difficult. As the funding reduced, the Representation's staff and administration costs relative to total expenditure also increased, as shown in Chart 1, with only 50 per cent of its budget left for delivering services to PoCs in 2020.

18. Over the past three years, the Representation has restructured and reduced its staff in line with its change of strategic focus. For instance, following the 21 per cent reduction in its 2021 budget, the Representation cut four staff positions. However, considering its change in strategic direction, the Representation had not assessed whether the protection staff (one P-4 and three general service) was adequate to execute its protection agenda, i.e., strong advocacy with the Government while continuing to provide services to PoCs.

19. The Representation's high administrative costs were caused by its occupancy of a larger office than was required as its staff numbers reduced. The annual rental cost was \$345,600, which per a 2018 market survey was higher than market rates by \$50,000 per annum. Due to restrictive withdrawal clauses and despite several interventions by the lead agency, the Representation could not opt out of the memorandum of understanding it had entered into 10 years ago alongside other United Nations agencies until December 2023.

20. Considering the limited available resources, the Representation needs to strengthen its resource allocation in accordance with its areas of strategic importance; otherwise, this will impact its ability to meet the many needs of PoCs, as reflected in the participatory assessments.

**(2) The UNHCR Representation in the Russian Federation, in collaboration with the Regional Bureau for Europe should: (i) review the adequacy and effectiveness of the office structure and resources in meeting its strategic priorities; and (ii) use the lessons learned to propose organizational changes regarding the signing of standard United Nations inter-agency Memorandum of Understanding without provisions of withdrawal.**

*UNHCR accepted recommendation 2 and stated that part (i) was implemented, and regarding part (ii), the Representation would work with the Regional Bureau for Europe and other relevant Headquarters departments to document lessons learned.*

## **B. Protection and solutions**

### Need to strengthen advocacy regarding gaps in the protection environment

#### **Fair protection processes and documentation**

21. The Government was responsible for both registration and refugee status determination (RSD) of PoCs seeking asylum and international protection in Russia. Per the established standard operating procedures, the Representation exceptionally got involved in these processes when there were serious protection concerns and risks. The Representation spent \$871,301 (or 20 per cent of its operating budget) on providing legal assistance to persons seeking asylum and those pursuing the naturalization who could not afford the fees. The Representation reached 6,607 with services of its target of 8,000 PoCs in 2020. However, the annual participatory assessment showed that PoCs continued to face challenges in accessing asylum procedures, legal status determination, and reception arrangements.

22. In 2020, some PoCs in certain regions were repeatedly rejected and had exhausted available national procedures and thus given up on re-applying for asylum. Further, the Representation's outreach to persons denied access to the territory, who might be of concern to UNHCR and needed assistance, remained limited. During the audit period, the Representation had limited engagement with concerned Government structures to facilitate discussions on improved access and the quality of RSD. Thus, PoCs faced challenges with accessing registration, RSD and identification documentation processes. This inadvertently affected them being considered for durable solutions and services and exposed them to increased protection risks, including *refoulement*. It also increased their dependence on the Representation for financial and legal support at a time when it was considering disengaging from case management and support to PoCs.

23. To address the issues above and the reported inconsistent application of the asylum law and policy across the country, the Representation planned but had not been granted access to train Government RSD officials from 2017 when refugee matters were transferred to the Ministry of Interior. Consequently, the Representation was unable to strengthen its cooperation with migration authorities through capacity development of their officials. This also impacted their ability to facilitate improved access and quality of the status determination procedure. The Representation moved the training budget to support PoCs' applications from 2021.

## Favourable protection environment and government relations

24. The Representation was working in a relatively restrictive environment and had identified significant gaps in the protection environment for PoCs. The national law on refugees in the Russian Federation was not fully compliant with the 1951 Convention, e.g., it imposed administrative charges and fines against asylum seekers that violated national migration rules. The legal framework also did not distinguish between PoCs and other foreigners, posing practical challenges that hindered their access to solutions.

25. The Representation had an advocacy strategy and plan between 2019 and 2020 that saw limited progress in addressing the restrictive environment. This strategy had not been updated at the time of the audit, which was significant given the importance of advocacy in delivering the Representation's revised vision. Following the audit fieldwork, the Representation submitted its observations on the draft asylum law, and they were accepted by the Ministry of Interior.

**(3) The UNHCR Representation in the Russia Federation, in collaboration with the Regional Bureau of Europe, should develop and implement an action plan to address the challenges persons of concern face in the asylum space, including advocacy and support for fair protection processes and documentation.**

*UNHCR accepted recommendation 3 and stated that in January 2022, the Representation provided comments to the draft Law on Asylum that were appreciated by the authorities.*

## Durable solutions and livelihoods and self-reliance programmes

### Need to ensure PoCs have access to durable solutions

26. The Representation spent \$758,998 and budgeted \$637,804 in 2020 and 2021 (representing some 38 per cent of the operations budget) on durable solutions and related activities. Due to the limited prospects of voluntary repatriation and resettlement, the Representation focused on local integration as the most appropriate solution. The Representation offered legal services to PoCs on the pathway to naturalization, conducted advocacy through workshops and integration studies, and promoted co-existence projects with host communities.

27. Although durable solutions were adequately covered in the Representation's protection and operational plans, these documents did not cover local integration and how the Representation would support PoCs in this regard. The Representation had no data on the extent of need, i.e., the number of persons interested in local integration and whether they were refugees, temporary asylum holders or permanent residents. Moreover, the strategic plans for local integration did not include potential challenges faced by PoCs in the local integration process.

28. The Representation reported that it expected to resettle 25 eligible persons under the emergency priority scheme in 2020, but this target was not met due to COVID-19 travel restrictions. However, this number appeared unrealistic given the limited success the Representation had recorded in the past. In the period reviewed, 6 out of 38 persons who requested assistance to return to their home countries were assessed as eligible for voluntary repatriation. The Representation provided advice and information on countries of origin to PoCs so they could make well-informed decisions.

29. The age, gender and diversity assessments identified access to gainful employment as one of the major challenges PoCs faced. The factors that affected PoCs' access to livelihoods due to employment included the effects of COVID-19 pandemic restrictions, language barriers and general employers'



reluctance to hire PoCs. For instance, despite assisting 22 PoCs with curriculum vitae preparation, only one person obtained employment. While the Representation conducted PoC profiling exercises and focus group discussions to assess if they were employable, no action was taken to address the challenges identified.

**(4) The UNHCR Representation in Russian Federation should develop an action plan to address the challenges that persons of concern face in accessing local integration.**

*UNHCR accepted recommendation 4 and stated that it was work-in-progress.*

#### **IV. ACKNOWLEDGEMENT**

30. 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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## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the operations in the Russian Federation for the Office of the United Nations High Commissioner for Refugee

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 the Russian Federation should strengthen its strategic and operational planning processes by: (i) verifying the persons of concern numbers used for decision making; (ii) implementing recommendations from participatory assessments; and (iii) ensuring proper prioritization of areas of strategic importance during resource allocation.	Important	O	Receipt of evidence of verified and disaggregated data of beneficiaries based on age, gender and other diversity factors.	31 December 2022
2	The UNHCR Representation in the Russian Federation, in collaboration with the Regional Bureau for Europe should: (i) review the adequacy and effectiveness of the office structure and resources in meeting its strategic priorities; and (ii) use the lessons learned to propose organizational changes regarding the signing of standard United Nations inter-agency Memorandum of Understanding without provisions of withdrawal.	Important	O	The Representation did not provide evidence of the review of the adequacy of its structure and resources in meeting its strategic priorities. OIOS would like to receive evidence of (i) proposed organizational changes; and (ii) proposals to UNHCR regarding the signing the standard United Nations inter-agency Memorandum of Understanding without provisions for withdrawal.	30 June 2023
3	The UNHCR Representation in the Russia Federation, in collaboration with the Regional Bureau of Europe, should develop and implement an action plan to address the challenges persons of concern face in the asylum space, including advocacy and support for fair protection processes and documentation.	Important	O	Receipt of an action plan that details how UNHCR will support PoCs to overcome the challenges being faced in accessing fair protection and documentation.	30 June 2023
4	The UNHCR Representation in Russian Federation should develop an action plan to address the	Important	O	Receipt of an action plan that includes actions that should be taken to address challenges faced by PoCs in the local integration process.	31 December 2022

<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 the Russian Federation for the Office of the United Nations High Commissioner for Refugee

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>
	challenges that persons of concern face in accessing local integration.				

# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of the operations in the Russian Federation for the Office of the United Nations High Commissioner for Refugee

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 the Russian Federation should strengthen its strategic and operational planning processes by: (i) verifying the persons of concern numbers used for decision making; (ii) implementing recommendations from participatory assessments; and (iii) ensuring proper prioritization of areas of strategic importance during resource allocation.	Important	Yes, for item 1 (i).  Items 1 (ii) and 1 (iii) are implemented.	Snr Protection Officer	30 June 2023	<p><b>1 (i)</b> The Representation will complete verification of the beneficiaries together with its partners by 30 June 2023. As we indicated in our communication with the Audit team, the Office does not do registration, documentation or status determination for the persons of concern and can be accountable only for the operation's beneficiaries' numbers.</p> <p><b>1 (ii)</b> We consider this item of the recommendation implemented.</p> <p><b>1 (iii)</b> Prioritization of areas of strategic importance was done within the new RBM system COMPASS that replaced FOCUS from 2022. The plan was reviewed and endorsed by the Regional Bureau for Europe. We consider this part of the recommendation implemented.</p>
2	The UNHCR Representation in the Russian Federation, in collaboration with the Regional Bureau for Europe should: (i) review the adequacy and effectiveness of the office structure and resources in	Important	Yes for item 2 (ii).  Item 2 (i) is implemented.	Administration Officer	31 December 2022	With regard to Part (ii), the Office will work with the Regional Bureau for Europe and other relevant HQ departments to document lessons learned.

<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.

<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>
	meeting its strategic priorities; and (ii) use the lessons learned to propose organizational changes regarding the signing of standard United Nations inter-agency Memorandum of Understanding without provisions of withdrawal.					
3	The UNHCR Representation in the Russia Federation, in collaboration with the Regional Bureau of Europe, should develop and implement an action plan to address the challenges persons of concern face in the asylum space, including advocacy and support for fair protection processes and documentation.	Important	Yes	Snr Protection Officer	30 June 2023	In January 2022, the Office already provided comments to the draft Law on Asylum that were appreciated by the authorities.
4	The UNHCR Representation in Russian Federation should develop an action plan to address the challenges that persons of concern face in accessing local integration.	Important	Yes	Snr Protection Officer	31 December 2022	Work-in-Progress