



INTERNAL AUDIT DIVISION

REPORT 2022/061

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

**The Representation needed to reinforce its
advocacy for protection and access to
services of persons of concern**

17 November 2022

Assignment No. AR2022-112-01

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

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of operations in Tanzania for the Office of the United Nations High Commissioner for Refugees. The objective of the audit was to assess whether the Representation was managing the delivery of services to persons of concern (PoCs) in a timely and cost-effective manner, and in compliance with UNHCR's policy requirements. The audit covered the period from 1 January 2020 to 31 December 2021 and included: (a) favorable and fair protection; (b) durable solutions; (c) public health; (d) shelter and non-food item (NFI) distribution; and (e) fuel and fleet management.

The Representation in Tanzania operated in a challenging environment characterized by restrictions in the operating environment and the COVID-19 pandemic. The Government enforced a strict encampment policy which affected PoC protection, movement, education, security, employability, and access to livelihoods. The Representation also had reports of the refoulements of a large number of asylum seekers. These factors increased protection risks for PoCs and negatively impacted the Representation's delivery of services.

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

- Reinforce its advocacy with the Government for a fair protection environment and for measures to assure cost-effective delivery of services to PoCs;
- Address the discrepancies in PoC data used for programming; strengthen the collection, validation, and reporting of performance data for decision-making purposes; and take action to improve refugee children's access to quality education;
- Address root causes for reduced voluntary repatriation of PoCs to their countries of origin; and strengthen the resettlement programme by cleaning the case management data used for decision making and tackling inefficient use of related staff resources;
- Strengthen planning, management and monitoring of health programmes in order for PoCs to have access to timely and cost-effective services;
- Ensure that the vast PoC shelter needs are met; and rationalize the NFI inventories held in warehouses;
- Strengthen the Representation's programme staff capacity to plan, manage and monitor programme activities that are implemented by partners; and
- Address systemic weaknesses in controls over fleet and fuel management to increase efficiencies in related processes.

UNHCR accepted all 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 operations in Tanzania 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 operations in Tanzania for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The UNHCR Representation in Tanzania (hereinafter referred to as ‘the Representation’) was established in 1968 to provide refugees, asylum seekers and other persons of concern (PoCs) with international protection and humanitarian assistance. As at 31 December 2021, Tanzania hosted 246,705 PoCs, comprising of 207,104 refugees, 27,779 asylum seekers and 11,822 others of concern. Seventy-eight per cent of the PoCs were women and children. Sixty-seven and 32 per cent of all PoCs were Burundians and Congolese respectively. The refugees and asylum seekers primarily resided in Nyarugusu and Nduta refugee camps and some remained in the old refugee settlements in Kigoma and Chogo. The camp in Mtendeli was closed in 2021 and PoCs transferred to Nduta refugee camp.
3. Tanzania is a signatory to the 1951 Refugee Convention and its 1967 Protocol. The status and treatment of asylum-seekers and refugees is governed by the Refugees Act of 1998 and the 2003 Refugees Policy and implemented by the Refugee Services Department in the Ministry of Home Affairs. Despite the Government reiterating its commitment to protecting refugees and asylum-seekers as part of its obligations under national and international laws, the protection space for refugees and asylum-seekers remained unpredictable, with restrictive measures in place including the enforcement of a strict encampment policy and the lack of integration of refugees’ needs into government services.
4. The Representation was headed by a Representative at the D-1 level and had, as of 28 February 2022, 217 regular staff posts (56 professional and 161 general service staff) and 32 affiliate staff. The Representative reported to the Director, Regional Bureau for East and Horn of Africa and Great Lakes (the Bureau). The Representation had a branch office in Dar Es Salaam, one sub office in Kigoma and two field offices in Kasulu and Kibondo. The Representation recorded total expenditures of \$52 and \$54 million in 2020 and 2021 respectively. It also worked with 15 and 12 partners that implemented programme activities in 2020 and 2021 respectively, worth 56 percent of the operating level budget.
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 PoCs in a timely and cost-effective manner, and in compliance with UNHCR’s policy requirements.
7. This audit was included in the 2022 risk-based work plan of OIOS due to the challenging operating environment and the protracted refugee situation in Tanzania.
8. OIOS conducted this audit from May 2022 to June 2022. The audit covered the period from 1 January 2020 to 31 December 2021. Based on an activity-level risk assessment, the audit covered higher and medium risk areas of the operations in Tanzania, which included: (a) favorable and fair protection; (b) durable solutions; (c) public health; (d) shelter and non-food items (NFIs) distribution; and (e) fuel and fleet

management. Additionally, through the review of the above-mentioned areas, OIOS drew overall conclusions on programme performance, partnership and enterprise risk management.

9. The audit methodology included: (a) interviews with key personnel; (b) 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, and performance data from FOCUS, UNHCR's results-based management system; (d) review of data extracted from ProGres, the UNHCR registration and case management system; (e) sample testing of controls; and (f) observation of processes and project activities including visits to selected partners.

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

III. AUDIT RESULTS

A. Favorable and fair protection

Need to strengthen engagement with host government to facilitate a favorable protection environment

Favorable protection environment

11. The Representation is responsible for advocating for a favorable protection environment where refugees and asylum-seekers are admitted and protected against refoulement, their rights are recognized, and their needs acknowledged and form part of national and regional development strategies.

12. The Representation however operated in a challenging protection environment characterized by a strict encampment policy enforced by the Government. In 2021 alone, the Representation recorded 10,587 cases of refoulement of asylum seekers, 98 per cent of whom (10,416) were Mozambican. Claims that the numbers refouled were higher could not be substantiated since the Representation did not have access to borders. Additionally, PoCs noted in the April 2022 participatory needs assessments that conditions in camps were uncondusive and were on this basis opting to return to their countries of origin. For instance, the Government's destruction of PoC gardens and its ban of self-reliance programmes for PoCs meant they did not have livelihoods and had to rely on the Representation for sustenance.

13. The Government's decision to have PoC children (55 percent of all PoCs) only use the education curriculum of their country-of-origin and the limited number of schools, qualified teachers and materials impacted PoC children access to quality education. While 83 per cent of PoC children of school-going age were enrolled in schools in 2021, only 26 and 10 per cent of Congolese and Burundian children respectively were enrolled in secondary school against a target of 80 per cent. Additionally, the Representation was unable to facilitate end of secondary school qualifying examinations between 2020 and 2022. The low school attendance exposed PoC children to risks of crime, child labor, sexual exploitation, early pregnancy and child marriage.

14. Protection issues that had been identified in OIOS previous audit (report 2019/035) remained prevalent despite the Representation's escalation and Bureau and Headquarters' interventions. Agreements reached with the Government during a high-level delegation led by the UNHCR High Commissioner in 2018 to improve the protection environment were not implemented. Furthermore, actions such as the institution of an appeals committee from another high-level bilateral meeting between UNHCR and the Government convened in March 2022 remained largely outstanding. The limited progress in addressing prevalent issues was attributed to continued dialogue that did not result in commitments, resourcing and

proper accountability on the implementation of agreed actions. Thus, the Representation was unable to realize the desired change in the protection environment.

Fair protection

15. The Government was primarily responsible for all registration and refugee status determination, except for new births registration, which was done by the Representation. The Representation's significant investment over the years in building the capacity of the Government's Refugee Services Department and the National Eligibility Committee did not result in any meaningful change to the protection environment. This was because the funds provided to the Government for capacity building and/or protection activities, e.g., the \$2.9 million in the period under audit, were primarily spent on staff salaries, travel and allowances and workshops.

16. The following issues were noted:

- There was a backlog of 30,000 asylum applications and appeals that dated as far back as 2015 when the Government revoked prima facie recognition of Burundian asylum seekers as refugees.
- The National Eligibility Committee that adjudicated the asylum applications did not meet between December 2020 and July 2022. Since its reinstatement, it had a 74 per cent rejection rate of applications processed, and Committee decisions were not updated in the PoC database in a timely manner. An intention survey conducted jointly by the Government and UNHCR in July 2022 showed that more than half of the applicants fled their countries for economic reasons and thus were not bona fide asylum seekers.
- There were discrepancies in PoC data maintained by the Government and this was exacerbated by the fact that the Representation could not detect unauthorized changes effected to the relevant databases. Thus, available data was not credible for decision making and increased the risk of fraud in key programmes such as voluntary repatriation and resettlement.
- PoC complaints were not recorded and tracked to ensure they were resolved.

17. UNHCR's former performance framework, FOCUS, did not have credible information to reflect the effectiveness of the protection programme implementation. For instance, the Representation reported results against the indicator "extent reception conditions meet minimum standards", yet the country programme was not conducting reception-related activities. The Representation was also unable to meet targets for key activities such as conducting five cross-border meetings in its 2021 work plan. The Representation did not analyze reasons for non-performance nor take action to address it.

18. The issues above made the environment within which the Representation operated less favorable to achieving results in PoC protection, movement, education, security, and employability. This increased PoCs' dependence on UNHCR's assistance, a condition which is not sustainable considering the Representation's reduced funding. The likelihood that a high number of PoCs may not be bona fide asylum-seekers will also inflate UNHCR's costs of delivering protection services.

(1) The UNHCR Representation in Tanzania, in cooperation with the Regional Bureau for East and Horn of Africa and Great Lakes, should prepare a suitable advocacy plan to drive the implementation of the March 2022 high-level bilateral meeting commitments towards reaching a favorable and fair protection environment.

UNHCR accepted recommendation 1 and stated that the advocacy plan is under development and will be shared accordingly after clearance by the Regional Bureau.

- (2) The UNHCR Representation in Tanzania should: (i) work with the Government to address the discrepancies in person of concern data used for programming; (ii) strengthen its collection, validation and reporting of performance data for decision-making purposes; and (iii) take action to improve refugee children’s access to quality education.**

UNHCR accepted recommendation 2 and stated that: (i) while the request for budget increase in 2022 from the Headquarters was not approved, the representation will conduct the verification exercise as a priority activity from 2023 budget; (ii) meetings will be held with the Refugee Services Department early in 2023 to review and finalize drafts of standard operating procedures and have them endorsed and signed; and (iii) the implementation of the education action plan to improve children’s access to quality education is underway with the involvement of the key stakeholders, including the ministries of education of Burundi, Democratic Republic of Congo and Tanzania.

B. Durable solutions

Need to strengthen management of voluntary repatriation and resettlement programmes

19. The Representation faced challenges in finding durable solutions for PoCs in Tanzania because of: (a) declining willingness of people to be repatriated to their countries of origin; (b) limited resettlement quotas in third countries; and (c) lack of opportunities to locally integrate. These challenges were exacerbated by PoCs having no livelihoods. This not only increased their protection risks but also meant that PoCs remained fully dependent on UNHCR for sustenance in the long term.

20. Regarding local integration, the Representation contributed \$157,936 to the Government’s naturalization processes of refugees. However, the disbursement was not accompanied by a work plan detailing activities to be implemented and clarifying what results were expected from the funding. This was also despite the experience with the country’s limited interest in locally integrating PoCs. Without a workplan in place, the audit could not establish whether the funds were put to their intended use.

Voluntary repatriation

21. The Representation had since 2017 facilitated voluntary repatriation of 140,407 PoCs to their countries of origin, 60,701 of whom were Burundian nationals repatriated between 2020-2021. UNHCR required that PoCs’ repatriation to their countries of origin is voluntary and conducted with the safety and dignity of PoCs in mind. However, PoCs in the April 2022 participatory needs assessments stated that the repatriations were not voluntary but driven by the uncondusive living conditions in the camps, e.g., inadequate education services for children, destruction of their gardens and absence of livelihood activities.

22. The Representation projected a 95 percent drop in repatriations due to the waning interest of PoCs to repatriate, with only 909 repatriated in the first quarter of 2022. PoCs attributed this to a general lack of information about the places of return since no assessments had been conducted to inform them on the conduciveness of countries of origin for proper integration. The Representation’s commitment in the March 2022 high-level bilateral meeting to organize ‘go and see/come and tell’ missions had not yet materialized at the time of the audit. Refugee leaders also noted that the repatriation packages offered by UNHCR Uganda were much higher when compared to those offered in Tanzania. The Representation was not aware of the details of this enhanced package, which reflected a gap in coordination at country and bureau level.

23. The Representation entered into framework agreements with two vendors for the provision of buses and trucks to transport passengers and luggage amounting to \$6.6 million. This was despite the Representation owning buses and trucks that would accommodate the reduced repatriation numbers. This was wasteful especially considering the resource constraints the Representation was facing. The Representation however indicated that its fleet of buses were not roadworthy, although its records in Fleetwave stated otherwise.

24. The voluntary repatriation was one of the Representation's critical programmes and, despite the challenges faced in its execution, it was ranked as medium risk in the risk register. The risks were also not escalated to the Bureau, yet they had regional implications, and proposed actions in the register could not effectively mitigate the risks.

Resettlement

25. UNHCR required that the Representation facilitates the resettlement of PoCs by profiling, interviewing, and recommending potential cases for consideration by both the Bureau and resettlement countries. Through the submission of 1,062 cases (4,909 individuals) it met its quotas for resettlement in the period under audit. It also registered 3,456 departures to third countries in this period, the majority being Congolese refugees. The Representation however lacked sub-criterion to support the vetting and prioritization of beneficiaries that qualified for resettlement programme under the third country provided criteria.

26. There were discrepancies in the PoC data that was used by the Representation to make resettlement decisions. For instance, the family size in three cases was incorrectly listed as zero. There were also errors in the dates recorded in the system in 10 cases where interview dates preceded the creation dates of the case in the system. In 24 cases, the date of submission preceded the date of case review by up to six and half years. During its field visits, the audit also noted that resettlement case files were not kept locked in the Kasulu field office and interview rooms in Nyarugusu refugee camp did not meet security standards. PoCs also raised concerns in the 2022 participatory needs assessments about the lack of feedback on the status of their resettlement cases.

27. The Representation had not set targets to support the measurement of performance of its resettlement department/sections and their staff. The Representation only processed PoC numbers necessary to meet its annual resettlement quota, which was low considering the capacity of its resettlement staff component. The audit estimated that with 41 resettlement staff in May 2022 working for 40 weeks a year, the Representation could have processed 16,000 cases. However, in 2022, they only expected to process 7,100 cases, which seems low against staff capacity. A review of 130 cases in ProGres also showed significant delays in processing the resettlement cases. For instance, there was a 421-day time lag between case creation and interviews, delays of up to 1,545 days in reviewing interviewed cases, and between 115-384 days in submitting cases for second reviews.

28. The issues above reflect gaps in planning, execution and monitoring of key durable solutions activities. If unaddressed, these gaps will continue to impact PoCs' access to durable solutions and protection; create opportunities for fraud especially in the resettlement programme; and result in losses through inefficiencies.

<p>(3) The UNHCR Representation in Tanzania should reinforce its management oversight over durable solutions by: (i) addressing the root causes of reduced PoC repatriations; (ii) cleaning up of resettlement case management data to facilitate decision making; and (iii) reviewing resettlement targets so available staff resources are used efficiently.</p>

UNHCR accepted recommendation 3 and stated that: (i) the causes given by majority of refugees for not intending to return to Burundi in the intention survey conducted from 27 June to 30 July 2022 could only be addressed in the country of origin with financial support from donors for sustainable reintegration of returnees. The first go-and-see visit took place on 1-6 August 2022. A “come-and-tell” visit is planned from 28-30 November 2022, and it plans to escalate this to the Regional Bureau; (ii) Clean-up of case management data is linked to the verification exercise which will take place in 2023; and (iii) a review of resettlement targets for 2023 will be done in 2023 once new quotas are announced. Further, a review of the organigramme of the resettlement unit with amended responsibilities and reporting lines will be updated in January 2023.

C. Public health

Need to strengthen public health programme implementation arrangements

29. The Representation provided preventive and curative health services to PoCs through two partners that managed hospitals and health centers in the camps. The partners provided services for 837,313 outpatient visits, 24,160 inpatient admissions and 16,993 newborn deliveries in the period under audit. To deliver timely and quality health services to PoCs, the Representation needed to develop a strategy that prioritizes needs, directs the programme, and ensures its cost-effective implementation.

30. The audit’s review of effectiveness of implementation arrangements in providing health services to PoCs revealed that:

- The Representation did not allocate health workers proportionally across the different caseloads. The facilities for Congolese who were a third of PoCs had 412 workers, and those for Burundians that comprised two-thirds of PoCs had 67 workers.
- The ante and post-natal care and delivery of babies was split between two partners in Nduta Camp without any arrangements to ensure effective referral and sharing of records.
- While the Representation donated x-ray equipment to Kibondo hospital, it still had to pay full rates for related services provided to PoCs.

31. In 2021, the Representation used UNHCR’s balanced score card to assess the quality of care provided to PoCs in primary health care facilities. All health facilities except one scored above the required 60 per cent score. While the facilities generally had a satisfactory score, PoCs in the April 2022 participatory needs assessments highlighted challenges in accessing health services such as shortage of medicines, long waiting time for services, inadequate numbers of health care workers and limited dental and eye services. The score cards also flagged two indicators where targets were generally not met: (i) chronic malnutrition in 6-59 months old children, which was assessed at 50.5 percent against the standard of 10 per cent; and (ii) anaemia in children 6–59 months old, which was 24.4 percent against a standard of 20 percent. The Representation had not instituted a plan to address this issue at the time of the audit.

32. Partners had not instituted proper patient records and medicine systems to ensure the proper management and safeguarding of health resources and data. For instance, the health facilities maintained manual patient records, and this affected the collection, reporting and sharing of data across different health posts. Further, Burundi returnees did not get their medical history records for continuation of medical care once they got to their country of origin. Additionally, the Representation did not have an integrated inventory management system that reflected which medicines were available in the nine pharmacies and at

the main warehouse. Thus, health workers reported stock outs at facility level when medicines were available elsewhere.

33. The Representation spent \$1.36 million (88 per cent of the partner's budget) on salaries in 2021. One partner withheld one per cent from all staff salaries and per diem payments as a development levy to support their other operations. This represented ineligible costs since the funds were not spent on UNHCR programme activities. It may also have contributed to the high vacancy rates of up to 20 percent in the health facilities. Furthermore, the audit identified unreconciled differences between the partner payroll costs and the amounts posted in the general ledgers between January and March 2021. The partner also did not make timely payments of statutory deductions from salaries to the relevant authorities, which raised the risk of fines.

34. The audit also identified irregular daily allowances made by one partner to drivers, nurses and midwives that accompanied patients to Kabanga hospital. This was unjustifiable considering the short distance of approximately 70 kilometres from the camp and the fact that no nights were spent out of their duty station. The partner also used their travel budget of \$33,767 to pay staff to conduct annual stock verification of medicines and per diems for the collection of medicines from a warehouse that was less than 50 kilometres away.

35. The issues above were caused by the Representation's inadequate management oversight over the health programme. This resulted in a waste of limited resources, which potentially could expose UNHCR to reputational risks.

(4) The UNHCR Representation in Tanzania should strengthen its health programmes by: (i) reviewing implementation arrangements and strategies to ensure cost-effective service delivery to persons of concern, including for prevention of malnutrition and anemia among children; (ii) strengthening controls over medicines and patient records; (iii) instituting measures to recover ineligible costs; and (iv) reinforcing its monitoring of programme implementation by partners.

UNHCR accepted recommendation 4 and stated that; (i) the Representation will review the Partnership Agreements budget allocation and the alignment with the activities with consideration of reducing the number of partners and ensure cost-effectiveness in public health service delivery; (ii) an SOP on the distribution and sharing of medicine information between medical warehouse, pharmacies and the camps' health facilities has been finalized after inputs from health partners. It is also developing additional guidance through an SOP on the management of patient information for those undergoing voluntary repatriation by 31 January 2023; (iii) targeted financial verification will be conducted by end of December 2022 with relevant partners to identify potential ineligible expenses and recovery; and (iv) an enhanced partner monitoring plan will be developed with programme, project control, and public health.

D. Shelter and non-food item distributions

Need to address inadequate shelter availed to PoCs, and rationalize the NFI inventories

Shelter programme

36. The Representation spent \$5.4 million on its shelter programme and employed a community-based approach to reduce construction costs and increase PoC involvement. To effectively deliver shelter

solutions to PoCs, the Representation is required to have a multi-year strategy supported by a needs assessment and involving key stakeholders and other related sectors.

37. Seventy and 66 per cent of Burundians and Congolese respectively lacked decent shelters by December 2021. PoCs lived in dilapidated emergency shelters and tents for prolonged periods, which conditions worsened during the rainy season thus exposing them to health risks. The Government also demolished shelters left behind by the repatriated PoCs that could have been used by those in need. Despite these circumstances, the Representation's shelter programme activities were not focused on PoC shelters, but primarily covered infrastructure and the rehabilitation of communal facilities.

38. The Government imposed restrictions on upgrading and/or maintenance of shelters for Burundians in Nyarugusu camp and did not issue camp entry permits for contractors on time. As a result, timber meant for shelter construction worth \$18,000 rotted as the Representation waited for Government authorizations and was instead used as firewood by PoCs. At the time of the audit, the partner had timber worth \$122,000 that too would rot if authorization to start constructions was not received soon. In response to these conditions, the Representation reallocated funds for shelters towards other construction activities and for the maintenance of 212 shelters in Nduta and Nyarugusu refugee camps, against combined targets of 3,040. The Representation indicated that it would include removal of shelter restrictions in its advocacy plan with the Government.

39. The shelter partner procured iron sheets worth \$1.1 million without following a competitive process. While the justification provided by the partner was on basis of urgency, OIOS was of the view that this was due to gaps in programme planning since the need was known well in advance. There were also other indications that the shelter programme was not receiving best value on purchases conducted by the partner. For example:

- Iron sheets were purchased from retail outlets in Kasulu and Kibondo at a rate of TZS 21,000 (\$9) instead of the TZS 15,500 (\$6.65) that factories charged, resulting in a loss estimated at \$43,200.
- \$168,000 worth of value added tax (VAT) (that brought the total unrecovered VAT to an estimated \$1 million in the period under review) could have been avoided had the Representation conducted the purchases itself.
- Procurement guidelines on construction projects worth \$78,000 were not followed, resulting in higher costs and unmitigated risk of low construction projects delivery.
- Fraud risks were not addressed, including anomalies in the technical evaluation report and identical bills of quantities for different construction projects in different locations.

NFI management

40. The Representation procured NFIs worth \$7.4 million in the period under audit. To ensure that items reached the intended beneficiaries, the Representation needed to effectively manage warehouses and institute controls, including monitoring distribution of NFIs.

41. The lack of livelihoods opportunities and restricted movements created a dependency by PoCs on the Representation. Although PoCs expressed a need to replace old core relief items (CRIs) such as kitchen sets, the Representation could only provide soap and dignity kits for women due to budget constraints; and there was no general distribution to replace old CRIs. Despite these challenges, it was reported in Focus

that 100 per cent of PoC households had received CRIs. The lack of assistance increased the protection risk for PoCs, exposing them to negative coping mechanisms.

42. The Representation contracted one partner to store and distribute NFIs across the three camps. The partner had implemented effective distribution and warehousing processes, but its involvement in post-distribution monitoring represented a conflict of interest. Warehouses held stock above the approved \$50,000 threshold that was not insured and included in the stock were gas cylinders that the Representation does not plan to distribute. The Representation had also been holding 60 tons of soil conditioners worth \$21,000 for two years pending approval of its use by the Government.

43. The issues noted above were attributed to gaps in the Representation's advocacy on shelter matters, and its capacity gaps for planning and monitoring implementation of the shelter and NFI distribution programmes. This resulted in PoCs having inadequate shelters as well as financial losses and inefficiencies in the management of shelter and NFI inventories.

(5) The UNHCR Representation in Tanzania should strengthen its advocacy with Government on implementation of the shelter programme; and should (i) review its delegation of procurement of shelter materials to partners; (ii) set up frame agreements for key programme inputs such as iron sheets; (iii) strengthen monitoring of shelter and NFI programmes; and (iv) dispose of unused inventories in UNHCR and partner warehouses.

UNHCR accepted recommendation 5 and stated that: (i) the Representation was exploring direct procurement of shelter material from 2023; (ii) it also plans to establishment frame agreements for core shelter construction materials such as iron sheet; (iii) the Representation is planning to capacitate partner staff and UNHCR staff on UNHCR Policy, shelter strategy, SOPs and Occupational Safety and Health Administration; and (iv) the Representation is in contact with the supplier for them to buy back the soil stabilizers, while assessing the best way to dispose of the gas cylinders in its warehouses.

E. Partnership management

Need to strengthen internal capacity to plan for implementation modality, procurement delegation and partnership management

44. The Representation implemented \$40 million (56 per cent) of its activities through 15 and 12 implementing partners in 2020 and 2021 respectively. To achieve expected results through partners, it was essential for the Representation to institute transparent selection processes, sign project agreements and disburse funds to partners in a timely manner, monitor programme implementation and where necessary build partner capacity. The Representation did not conduct the comparative advantage assessment that included the cost benefit analysis as required to inform its decision on whether to directly implement programme implementation or delegate it to partners.

45. The level of involvement and influence of the Government partner in UNHCR operations in partner selection decisions affected the Representation's operating space and the ability to make independent and fair decisions. The Representation was as a result compelled by the Government to work with partners who did not possess the requisite competencies. Consequently, the Representation was unable to hold these implementing partners to account for the delivery of services delegated to them, including the proper accounting for the financial resources provided to the affected partners.

46. Per the UNHCR policy on selection and retention of partners, the experienced financial constraints and reduction in funding called for the Representation to conduct a comprehensive partner review to find

more efficient ways of delivering services. The Representation however missed the opportunity in 2022 to rationalize its number of partners and reduce their costs in areas such as energy and health. Furthermore, three of the partners retained to implement programmes worth \$17.6 million had well-known financial and performance weaknesses and, according to PoCs, did not provide quality services. One of the three partners was appointed for a three-month interim period but the process to identify a substantive replacement had not started almost half-way into the year.

47. The Representation was cognizant of the control gaps with Government and implementing partners but did not institute additional controls to mitigate the risks inherent in the partnerships. For instance, the Representation gave the Government partner \$331,185 in 2021 without an agreed work plan detailing the activities to be implemented and how the activities benefited the PoCs. Consequently, the partner conducted a large number of purchases towards the year end to exhaust the funds. For instance, it purchased stationery worth \$10,765 on 31 December 2021 which had not been used by May 2022.

48. The Representation did not assess partners' capacity to conduct procurements worth \$6.5 million on its behalf. Consequently, partners paid value added tax worth \$1.5 million which could have been avoided if UNHCR had procured goods and services directly; these amounts had not been recovered from the Government. The audit also noted that six partners did not have documentation to evidence that they had conducted a competitive process to ensure best value for money was obtained on purchases. For instance, one partner in Kigoma purchased all programme inputs from three companies that were owned by the same person. The Representation's project control and multi-functional teams did not identify these issues as part of the monitoring they conducted of programme implementation by partners.

49. The indicators and targets listed in project partnership agreements were not aligned to the corporate ones in FOCUS, and this impacted the capturing of data for reporting purposes. For example, the health partner's performance indicators related to staffing, while the one in FOCUS related to the number of health facilities equipped/constructed/rehabilitated. Also, while the performance indicator for the NFI distribution partner of the number of persons receiving hygienic supplies was set at 229,603, the FOCUS indicator was set at 265,840.

50. In the previous two audits of UNHCR operations in Tanzania, OIOS recommended that UNHCR strengthens the designation of procurement to partners and financial and performance monitoring of projects, which were pending implementation. The persistence of these weaknesses continued to impact the delivery of timely and quality services to PoCs and prevent UNHCR from obtaining value for money on partnerships.

- (6) The UNHCR Representation in Tanzania should strengthen its programme unit's capacity to plan, manage and oversee programme implementation by partners. This should include: (i) strengthening its partner selection/retention processes, especially for those with identified control weaknesses; (ii) performing proper due diligence prior to delegating procurement to partners; (iii) revising its performance framework to provide accurate programme data for planning and decision making; and (iv) developing a plan to pursue the refund of value added tax paid to the host government.**

UNHCR accepted recommendation 6 and stated that; (i) the multifunctional team involved in partner selection processes have been trained to enhance capacity in analytical thinking to ensure consideration of cost effectiveness in the partner selection process decisions; (ii) for 2023 detailed planning, proper due diligence will be conducted during the delegation of procurement to partners to ensure cost-effectiveness, and the Representation plans to use direct implementation procurement to reduce risks and save resources; (iii) Recruitment of staff has been done to enhance programme planning and implementation capacity, as well as the training of the multi-functional teams on effective

monitoring of partner performance; (iv) the Results Framework for 2022 and 2023 has been discussed and reviewed in line with administrative instructions on planning and RBM guidelines; and (v) UNHCR initiated engagements with the Tanzanian Revenue Authority with the objective of recovering the VAT already paid and agreeing on the exemption going forward.

F. Fuel and fleet management

Need to strengthen the management of fuel and fleet

51. The Representation had 352 vehicles in 2021, 200 of which were allocated to partners under right of use agreements. The Representation did not receive timely authorization from the Government to auction 74 vehicles (21 per cent of the total number) that were not operational. This resulted in lease and insurance costs of approximately \$315,000 and increased storage costs. While the Representation indicated that it had escalated the issue of the blocked auction to the Regional Bureau as well as to Headquarters, it had not received relief from the rental charges and insurance expense as of the time of the audit. The Representation obtained Government clearance and disposed of the vehicles in June 2022.

52. The Representation used the MSRP and Fleetwave systems but both systems lacked comprehensive data to manage vehicle fleet and generators. For instance, Fleetwave only had fuel records for 21 per cent of all vehicles in 2022, and several errors were noted in those records regarding cost and number of maintenance services conducted. The Representation did not monitor its use of \$4.3 million worth of fuel issued in the period under audit. For instance, it had not assessed the reasonableness of monthly allocated fuel consumption for two of the 13 vehicles reviewed. Gaps in the completion of vehicle logbooks impacted the computation of fuel consumption rates for monitoring.

53. The Representation appointed a logistic partner to provide fuel and vehicle maintenance services at \$1.2 million per year. However, by opting to have a partner maintain its vehicles, the Representation lost the vehicle supplier's guarantee and potential savings they could have received if the vehicles were maintained by the supplier's appointed agents. Additionally, the Representation did not consistently attend periodic physical verifications of spare-parts and consumables performed by the logistics partner, with 13 of the 39 items reviewed (worth \$193,233) identified as having inaccurate stock records.

54. The Representation was also holding \$800,000 worth of spare parts, including a large consignment of tyres procured in the second half of 2021, \$35,696 of which were classified as obsolete. The Representation was not monitoring the inventories for slow-moving items as demonstrated by its inability to provide the ageing reports when requested by OIOS. The selected indicators were also inadequate to measure the partner's performance. For instance, one of the indicators was the proportion of vehicles insured, yet this was not the partner's responsibility. Another was the number of fuel station/warehouses managed, an indicator which did not reflect the performance of the partner.

55. The above weaknesses were mainly due to gaps in the Representation's management oversight over fuel consumption and fleet management. This resulted in lost opportunities to save costs on fuel, spare parts and through fleet rationalization.

(7) The UNHCR Representation in Tanzania should: (i) monitor that fuel utilization is consistent with mandated activities; (ii) enhance the management of fuel, fleet and spare parts including through effective maintenance and use of data; and (iii) review fleet management implementation modalities.

UNHCR accepted recommendation 7 and stated that: (i) the monthly fuel allocation for each user has been reviewed as per jointly pre-determined programme activities. Monthly fuel activity reports containing monthly fuel allocation details have also been activated; (ii) additional access to fleet wave has been granted to more users to expedite the entry of data in the database for accurate reporting; and (iii) the Representation is carrying out a cost benefit analysis to establish the most cost-effective implementation modality for its fleet.

IV. ACKNOWLEDGEMENT

56. 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) Anne Ochwo Rwego
Chief, UNHCR Audit Service
Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The UNHCR Representation in Tanzania, in cooperation with the Regional Bureau for East and Horn of Africa and Great Lakes, should prepare a suitable advocacy plan to drive the implementation of the March 2022 high-level bilateral meeting commitments towards reaching a favorable and fair protection environment.	Important	O	Receipt of evidence of an advocacy plan for the commitments made by the government during the high-level bilateral meeting of March 2022 and that promotes a favourable protection environment	31 December 2022
2	The UNHCR Representation in Tanzania should: (i) work with the Government to address the discrepancies in persons of concern data used for programming; (ii) strengthen its collection, validation, and reporting of performance data for decision-making purposes; and (iii) take action to improve refugee children's access to quality education.	Important	O	Receipt of evidence of (i) the completed PoC verification exercise and implementation of the results thereof; (ii) revised and implemented performance frameworks and established and implemented systems for collecting, validating, and reporting related data; and (iii) actions taken to improve children's access to quality education	31 March 2023
3	The UNHCR Representation in Tanzania should reinforce its management oversight over durable solutions by: (i) addressing the root causes of reduced PoC repatriations; (ii) cleaning up of resettlement case management data to facilitate decision making; and (iii) reviewing resettlement targets so available staff resources are used efficiently.	Important	O	Receipt of evidence of (i) actions to address the root causes of reduced PoC repatriations identified through the intention surveys and the come and see, go and tell missions; (ii) cleaned-up resettlement case management data; and (iii) alignment of resettlement targets to staff resources	31 March 2023
4	The UNHCR Representation in Tanzania should strengthen its health programmes by: (i) reviewing implementation arrangements and strategies to ensure cost-effective service delivery to persons of concern, including for prevention of malnutrition and anemia among children; (ii) strengthening controls over	Important	O	Receipt of evidence of (i) revised health implementation arrangements and strategies; (ii) revised and implemented standard operating procedures over medicines and patient records; (iii) recovery of ineligible costs by the health implementing partner; and (iv) implementation of	30 June 2023

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

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

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

⁴ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	medicines and patient records; (iii) instituting measures to recover ineligible costs; and (iv) reinforcing its monitoring of programme implementation by partners			enhanced plans for monitoring health activities implemented by partners	
5	The UNHCR Representation in Tanzania should strengthen its advocacy with Government on implementation of the shelter programme; and should (i) review its delegation of procurement of shelter materials to partners; (ii) set up frame agreements for key programme inputs such as iron sheets; (iii) strengthen monitoring of shelter and NFI programmes; and (iv) dispose of unused inventories in UNHCR and partner warehouses.	Important	O	Receipt of evidence of (i) an implemented plan to strengthen shelter programme capacity; (ii) revised delegation of shelter materials procurement to partners; (iii) establishment and implementation of framework agreements for key shelter programme inputs; (iv) an implemented plan to strengthen monitoring of the shelter and NFI programme activities; and (v) disposal of soil stabilizers and gas cylinders	31 March 2023
6	The UNHCR Representation in Tanzania should strengthen its programme unit's capacity to plan, manage and oversee programme implementation by partners. This should include: (i) strengthening its partner selection/retention processes, especially for those with identified control weaknesses; (ii) performing proper due diligence prior to delegating procurement to partners; (iii) revising its performance framework to provide accurate programme data for planning and decision making; and (v) developing a plan to pursue the refund of value added tax paid to the host government.	Important	O	Receipt of evidence of (i) actions taken to minimise risks on selected partners with well-known weaknesses; (ii) rationalized partner budgets; (iii) assessments to inform the cost-effective delegation of procurement to partners; (iv) enhanced programme unit capacity to manage and oversee partners; (v) revised and implemented performance framework to provide accurate programme data; and (vi) refund of value added tax by the host government	30 June 2023
7	The UNHCR Representation in Tanzania should: (i) monitor that fuel utilization is consistent with mandated activities; (ii) enhance the management of fuel, fleet and spare parts including through effective maintenance and use of data; and (iii) review fleet management implementation modalities.	Important	O	Receipt of evidence of (i) systems put in place for monitoring fuel utilisation, including fuel efficiency monitoring; (ii) mechanisms for analysis of fuel and fleet data that inform decision making; and (iii) a fleet management implementation modality that is supported by a business and comparative advantage analysis	31 March 2023

APPENDIX I

Management Response

Management Response

Audit of [audit title]

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
1	The UNHCR Representation in Tanzania, in cooperation with the Regional Bureau for East and Horn of Africa and Great Lakes, should prepare a suitable advocacy plan to drive the implementation of the March 2022 high-level bilateral meeting commitments towards reaching a favorable and fair protection environment.	Important	Yes	- Head of Office Kibondo - Associate Executive Officer	31 December 2022	The advocacy plan is under development and will be shared accordingly after clearance by the Regional Bureau.
2	The UNHCR Representation in Tanzania should: (i) work with the Government to address the discrepancies in persons of concern data used for programming; (ii) strengthen its collection, validation, and reporting of performance data for decision-making purposes; and (iii) take action to improve refugee children's access to quality education.	Important	Yes	- (i)&(ii) Registration & Identity Management Officer - (iii) Education Officer	31 March 2023	(i) The request for OL increase in 2022 from the Headquarters, was not approved. In the Planning Workshop on 1 November 2022, it was decided by the Representative that the verification exercise will be conducted as a priority activity from 2023 OL. (ii) Meetings will be held with the Refugee Services Department early in 2023 to review and finalize drafts of SOPs and have them endorsed and signed. (iii) The implementation of the education action plan to improve children's access to quality education is underway with the involvement of the key stakeholders, including the

⁵ 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.

⁶ 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 ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						ministries of education of Burundi, DR Congo and Tanzania.
3	The UNHCR Representation in Tanzania should reinforce its management oversight over durable solutions by: (i) addressing the root causes of reduced PoC repatriations; (ii) cleaning up of resettlement case management data to facilitate decision making; and (iii) reviewing resettlement targets so available staff resources are used efficiently.	Important	Yes	- (i) Snr Field Coordinator - (ii) & (iii) Snr Resettlement & Complementary Pathways Officer	31 March 2022	(i) In the Intention Survey conducted from 27 June to 30 July 2022 in Nduta and Nyarugusu camps, 94% of the refugees declared that they would not return to Burundi due to the following reasons: Lack of access to land and shelter, lack of safety, and security, absence of livelihood opportunities, lack of better social Services, fear of renewal conflict, personal attacks, and fear of recruitment by the armed groups. These are the main causes for reduced returns and can only be addressed in the country of origin with financial support from donors for sustainable reintegration of returnees. The first go-and-see visit took place on 1-6 August 2022. A “come-and-tell” visit is planned from 28-30 November 2022. A memo will be sent to the Bureau explaining the situation and escalating the issue. (ii) Clean-up of case management data is linked to the verification exercise which is supposed to take place early in 2023. (iii) Evidence that proper criteria on selection is applied was provided to auditors who agreed to amend the final version of the document. (iv) A review of resettlement targets for 2022 is done and

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						justification of current staffing was provided to the auditors. A review of resettlement targets for 2023 will be done in early 2023 once new quotas are announced. Organigramme of the resettlement unit with amended responsibilities and reporting lines will be updated in January 2023.
4	The UNHCR Representation in Tanzania should strengthen its health programmes by: (i) reviewing implementation arrangements and strategies to ensure cost-effective service delivery to persons of concern including malnutrition and anemia prevention among children; (ii) strengthening controls over medicines and patient records; (iii) instituting measures to recover ineligible costs; and (iv) reinforcing its monitoring of programme implementation by partners.	Important	Yes	Public Health Officer	30 June 2023	<p>(i) To be achieved based on the decisions of the 2023 Call for Expression of Interest. During the 2023 detailed planning, Tanzania operation will review the Partnership Agreements budget allocation and the alignment with the activities. The Call for Expression of Interest will allow reducing the number of partners and ensure cost-effectiveness.</p> <p>(ii) An SOP on the Distribution and Sharing of Medicine Information Between Medical Warehouse, Pharmacies and Outpatient Department (OPD)/ Inpatient Department (IPD) of the Camp's Health Facilities has been finalized after inputs from health partners. On patient records, additional Guidance through SOP is going to be developed and agreed with partners on the management of patient information for those undergoing voluntary repatriation by 31/Jan/2023.</p> <p>(iii) Targeted verification will be conducted by end of December 2022 with relevant partners to</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						identify potential ineligible expenses and recovery. (iv) Enhanced monitoring plan is going to be developed with programme, project control, and public health.
5	The UNHCR Representation in Tanzania should strengthen its advocacy with Government on implementation of the shelter programme; and should (i) review its delegation of procurement of shelter materials to partners; (ii) set up frame agreements for key programme inputs such as iron sheets; (iii) strengthen monitoring of shelter and NFI programmes; and (iv) dispose of unused inventories in UNHCR and partner warehouses.	Important	Yes	Associate Shelter Officer	31 March 2023	(i) The Representation is exploring the possibility to conduct procurement of Shelter material through Direct Implementation. This process of the delegation of procurement of shelter materials to partners will be finalized after the decision of the Call for Expression of Interest. (ii) Plans are to procure some construction materials for 2023 shelter programme such as Iron sheet through Direct Implementation (DI) budget. Upon the completion of the 2023 Procurement Plan the new tender will be launched next year to establish the Frame Agreements. (iii) Through Direct Implementation (DI) budget in 2023 The Representation is planning to conduct trainings to capacitate partner staff and UNHCR staff, trainings are related to UNHCR Policy, Shelter strategy, SOP's and Occupational Safety and Health Administration (OSHA). (iv) About disposing of soil stabilizers – As directed by MOHA (Refugees Service Department Director) the soil should not be

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						used in Tanzania therefore we are in contact with the supplier for them to buy it back instead of the organization incurring money to dispose it off. As for gas cylinders, MFT by 22.11.2022 to discuss the feasibility of donating the empty gas cylinders to refugees and host community if this is not viable, we are contacting HQ colleagues on Asset management to guide us on the best way to dispose of and can be included in the coming auction.
6	The UNHCR Representation in Tanzania should strengthen its programme unit's capacity to plan, manage and oversee programme implementation by partners. This should include: (i) strengthening its partner selection/retention processes, especially for those with identified control weaknesses; (ii) performing proper due diligence prior to delegating procurement to partners; (iii) revising its performance framework to provide accurate programme data for planning and decision making; and (v) developing a plan to pursue the refund of value added tax paid to the host government.	Important	Yes	Snr Programme Officer	30 June 2023	(i) An MFT session took place during partner selection to capacitate MFT on reviewing partners Call for Expression of Interest to strengthen MFT members capacity in analytical thinking to ensure cost effectiveness during the partner selection process. The partner selection has been finalized and is pending a final decision. In case a risk partner is selected, adequate risk measures will be applied accordingly. (ii) For 2023 detailed planning, proper due diligence will be conducted during the delegation of procurement to partners to ensure cost-effectiveness. The representation also plans to reduce the amount of partner procurement to reduce risks and save funds through direct implementation procurement which has more benefits like better prices and tax

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>claims. This process will be finalized after the decision of the Call for Expression Of interest.</p> <p>(ii) In Dar es Salaam, two IUNV positions are under recruitment to strengthen monitoring and reporting and to capacitate colleagues in the field, one NOB has been recruited and is on board and will be able also to deal with VAT related matters, plus a P3 Programme Officer has been recruited and is on board. This staff will also be the counterpart of the Governmental Partner and strengthen monitoring of the field in terms of oversight. An MFT session took place during partner selection to capacitate MFT on reviewing partner Call for Expression of Interest. Programme colleagues from the field and Dar es salaam facilitated the sessions as part of capacity building. Various teams sessions have taken place to capacitate MFT in various aspects of programming including. In August 2022, a training session for MFT took place in Kigoma on Result Monitoring Survey and COMPASS. The training was facilitated by the regional Bureau colleagues.</p> <p>(iv) In August 2022, a training session for MFT took place in Kigoma on Result Monitoring Survey and COMPASS data clean-up. The training was facilitated by</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>the Regional Bureau. All the Results Framework for 2022 and 2023 was discussed and reviewed in line with administrative instructions on planning and RBM guidelines.</p> <p>(v) The meeting between UNHCR and Tanzania Revenue Authority (TRA) took place to discuss partners' VAT issues and TRA requested UNHCR to send a formal letter and the list of partners that will require a review by your legal department against the current VAT act.</p>
7	<p>The UNHCR Representation in Tanzania should: (i) monitor that fuel utilization is consistent with mandated activities; (ii) enhance the management of fuel, fleet and spare parts including through effective maintenance and use of data; and (iii) review fleet management implementation modalities.</p>	Important	Yes	Associate Supply Officer	31 March 2023	<p>(i) The monthly Fuel Allocation for each user has been reviewed as per Program activities sanctioned to partners. Activities are pre-determined jointly with UNHCR focal person. This is evidenced by monthly fuel activity reports containing monthly fuel allocation details for both field offices, Kibondo and Kasulu).</p> <p>(ii) On Fleet Management, additional access to fleet wave has been granted to more users, and thus expediting the entry of data in the database. Therefore, the information in the database have been updated for running accurate reports and informing decision making.</p> <p>(iii) This is an ongoing exercise. The Representation is carrying out a Cost Benefit Analysis to establish whether the use of a commercial</p>

Rec. no.	Recommendation	Critical⁵/ Important⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						company has an advantage in fleet maintenance over the use of a Logistics partner. The outcome of the findings to be shared by the Supply Unit in Dar es Salam before year-end 2022.