



INTERNAL AUDIT DIVISION

REPORT 2016/178

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

The Representation needed to strengthen controls over partnership management, distribution of non-food items, financial management, security and staff safety, and procurement and vendor management

21 December 2016

Assignment No. AR2016/110/04

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

EXECUTIVE SUMMARY

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the Office of the United Nations High Commissioner for Refugees (UNHCR) operations in Nigeria. The audit covered the period from 1 January 2014 to 31 March 2016 and included the following processes and activities: (i) planning and resource allocation; (ii) partnership management; (iii) distribution of non-food items (NFIs); (iv) financial tracking and reporting; (v) security and staff safety; and (vi) procurement and vendor management.

The UNHCR Representation in Nigeria had effective controls in place for strategic planning and monitoring. However, there was a need to strengthen controls over selection and retention of partners and procurement entrusted to partners, the monitoring of distribution of NFIs, as well as approval of financial transactions, cash management and monitoring and reporting of open items. The Representation also needed to [REDACTED] improve management supervision and oversight arrangements over procurement and vendor management.

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

- Enhance staff awareness and strengthen management controls to ensure that risks associated with selection and retention of partners and designation of procurement to partners are effectively addressed;
- Establish a robust, country-wide monitoring framework for distribution of NFIs;
- Enforce compliance with UNHCR rules and procedures for the approval of financial transactions, cash management, and monitoring and reporting of open items;
- [REDACTED]
- Ensure that the Supply Section has sufficient capacity to discharge its duties, adequate procedures are put in place for vendor vetting, registration and performance evaluation, and competitive bidding procedures are systematically carried out.

UNHCR accepted the recommendations, has implemented four of them and has initiated appropriate action to implement the remaining recommendation.

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Audit of the operations in Nigeria 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 Nigeria for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. The UNHCR Representation in Nigeria (hereinafter referred to as 'the Representation') commenced its operations in 1999 to support efforts of the Government of Nigeria to provide protection and assistance to refugees and asylum-seekers in the country. In July 2014, the Representation also started also assisting people displaced internally in the north-east region of the country due to the growing Boko Haram insurgency. Due to the insurgency, a level-2 emergency was declared in February 2015. As of March 2016, out of the approximately 2.2 million internally displaced persons (IDPs) in Nigeria, the Representation was assisting 430,962 in areas it had access to. The Representation was also assisting 1,388 refugees, 474 asylum-seekers, and 22,039 Nigerian returnees from Cameroon.

3. The Representation decided to give strategic priority in its 2016 operations plan to continue to strengthen the federal and state levels of protection of IDPs through coordination, monitoring and advocacy. In this respect, the Representation aimed to support four identified processes, which included: (i) establishment of a national IDP policy and legal framework; (ii) registration and profiling of the IDP population; (iii) institutional capacity building in IDP management; and (iv) identification of durable solutions for IDPs.

4. The Representation has a Country Office in Abuja, a Sub-Office in Maiduguri and a Field Office in Lagos, in addition to five Field Units in Damaturu, Bauchi, Yola, Jalingo and Makurdi. As of 1 May 2016, the former Field Unit Maiduguri was upgraded to a Sub-Office, while the former Sub-Office Bauchi was downgraded to a Field Unit. This was because the Representation shifted its geographical focus further to north-east of the country. The Representation reported to the UNHCR Regional Representation for West Africa based in Dakar, Senegal. The Representation was headed by a Representative at the D-1 level. As of 31 March 2016, it had 57 staff posts.

5. The Representation had expenditure of \$4.1 million in 2014 and \$12.7 million in 2015. The increase in expenditure was a result of the creation of new IDP programmes. The Representation's budget for 2016 is \$11.8 million. It worked with five partners in 2014 and nine in 2015. The total expenditure of these partners amounted to \$416,000 and \$2.2 million in 2014 and 2015 respectively, and accounted for 28 per cent and 35 per cent of the Representation's programme related expenditure during those years.

6. Comments provided by the Representation are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over UNHCR operations in Nigeria.

8. This audit was included in the 2016 OIOS risk-based internal audit work plan due to risks related to the growth of programme and protection activities in Nigeria, in particular those associated with the large increase in the number of IDPs.

9. OIOS conducted the audit from April to July 2016. The audit covered the period from 1 January 2014 to 31 March 2016. Based on an activity-level risk assessment, the audit covered higher risk processes and activities pertaining to the operations in Nigeria, which included: planning and resource allocation; partnership management; distribution of non-food items (NFIs); financial tracking and reporting; security and staff safety; and procurement and vendor management.

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; (d) sample testing of controls using both systematic and random sampling methods; and (e) visits to the Representation's Country Office in Abuja, Field Units in Bauchi and Makurdi, the offices of two partners implementing UNHCR projects, and an IDP settlement in Benue State.

III. OVERALL CONCLUSION

11. The Representation had effective controls in place for strategic planning and monitoring. However, there was a need to strengthen controls over selection and retention of partners and procurement entrusted to partners, the monitoring of distribution of NFIs, and approval of financial transactions, cash management and monitoring and reporting of open items. In addition, the Representation needed to [REDACTED] improve management supervision and oversight arrangements over procurement and vendor management.

IV. AUDIT RESULTS

A. Planning and resource allocation

The Representation had effective controls in place for strategic planning and monitoring

12. The UNHCR Programme Manual requires the Representation to prepare an annual operations plan aligned with UNHCR's global strategic priorities and based on an assessment of the needs of the population of concern following a participatory assessment approach. The Representation is also required to put in place procedures to be able to respond to emergency situations in an adequate and timely manner. The operations plan should include a protection and operational strategy for each planning population group, as well as impact and output indicators with baseline and target performance levels and resource requirements for achieving the targets. Mid-year reporting requires a careful review of the results achieved to identify areas where progress may not be in accordance with the plans and where corrective measures may need to be taken. The Representation is further required to develop standard operating procedures (SOP) for all key protection priorities.

13. The Representation prepared operations plans for 2014 and 2015 that were aligned with the global strategic priorities and based on an assessment of the needs of the population of concern. The needs assessment exercise during both years was undertaken by following a participatory assessment approach. Needs assessments were conducted for all main populations of concern in the main locations.

In respect of IDPs in the north-east region of the country, the Representation conducted comprehensive vulnerability assessment in the second quarter of 2014. Based on this assessment, the Representation started assisting them in July 2014, which was well before the declaration of the level-2 emergency in February 2015. The operations plans defined appropriate indicators and targets as well as resource requirements for achieving them. The Representation also developed a protection strategy as part of the operations plans and SOPs for all key protection areas. At the mid-year review stage, the Representation reviewed areas where it was underperforming and took corrective action including revising targets and indicators. Before the establishment of five new field units in 2015 as a result of the emergency, the Representation conducted comprehensive situational analyses.

14. Based on the above, OIOS concluded that the Representation had effective arrangements in place for strategic planning and monitoring.

B. Partnership management

There was a need to strengthen controls over selection and retention of partners and procurement entrusted to partners

15. The UNHCR Enhanced Framework for Implementing with Partners requires the Representation to: (i) establish an Implementing Partnership Management Committee (IPMC) to assist the Representative in making partner selection and retention decisions following a transparent procedure; (ii) limit procurement by partners to those occasions where partners have a proven advantage, and conduct an assessment of the partners' capacity to procure goods and services using UNHCR funds before designating procurement authority to them; and (iii) establish risk-based plans, jointly with partners, for performance and financial monitoring to be conducted by multi-functional teams to verify the progress in project activities and the expenditures reported.

16. Although the Representation established an IPMC in October 2013, OIOS review indicated the following shortcomings in the partner selection and retention procedures:

- For the 2014 programme cycle, the Representation exempted an intergovernmental institution from the partner selection process on the grounds that the partner had a unique mandate that could not have been assumed by another organization. However, this exemption was not documented and approved by the Representative following recommendation by IPMC.
- For 2015, for the selection of new national partners, calls for expression of interest were sent only to a limited number of potential partners. In addition, the tabulation for evaluation purposes was available only for the two selected partners. For the selection of a third national partner, IPMC waived the requirement for the partner to submit a formal project proposal; however, the request for the waiver was not sent to UNHCR Implementing Partnership Management Service at headquarters for approval as required.
- For 2016, the Representation adopted a unique procedure similar to a roster system, without consulting the Implementing Partnership Management Service, which deviated from standard UNHCR requirements. Notably, without any evidence indicating how many potential partners received the call for expression of interest and without preparing a tabulation for evaluation purposes, IPMC confirmed in its 11 December 2015 meeting that the nine existing partners and all eight new applicants met the selection requirements. Of these 17 partners placed on a roster, only six existing partners and four new partners ended up working with the Representation but without any documentation as to why they were the ones selected from the roster.

17. In respect of procurement entrusted to partners, OIOS observed the following weaknesses:
- The Representation did not conduct a cost-benefit analysis to determine whether procurement by partners would be advantageous compared to direct implementation during any of the years (2014, 2015, 2016) covered by the audit.
 - For 2015 and 2016, when the Representation entrusted procurement to nine partners with a cumulative procurement value of \$700,000 and \$600,000 respectively, IPMC did not assess the capacity of the partners to procure on UNHCR's behalf, and the formal approval of the Representative for designating procurement to them was not obtained before signing the Project Partnership Agreements.
18. In respect of performance and financial monitoring of projects implemented by partners, documentation was available to support that the Representation had conducted regular financial and performance monitoring activities. However, there was no evidence that such monitoring had been conducted by a multi-functional team and following a risk-based approach.
19. Apart from the difficult operating environment and the sudden growth of the Representation's operations and the resulting staffing constraints, OIOS associated inadequate management controls and insufficient awareness of the Representation's staff as the main reasons for the above-mentioned control weaknesses. As a result, the Representation was exposed to an increased risk of non-achievement of project objectives and to obtain value from projects implemented by partners. While the audit was still in progress, the Representation took prompt action to establish multi-functional monitoring teams and to draw up a risk-based plan to further strengthen project monitoring activities.

(1) The UNHCR Representation in Nigeria should develop and implement an action plan to enhance staff awareness and strengthen management controls to ensure that risks associated with selection and retention of partners and designation of procurement authority to partners are effectively managed.

UNHCR accepted recommendation 1 and stated that a Programme Management Training Workshop for Partners had been held from 27 to 30 September 2016, that the partner selection/retention process for 2017 should be completed by the end of December 2016. The procurement capacity of partners designated to undertake procurement on UNHCR's behalf would be assessed along with cost-benefit analysis to be conducted after the Representation completed the selection/retention process. Recommendation 1 remains open pending receipt of documentary evidence of: (i) implementation of the partner selection/retention process for 2017 in line with UNHCR requirements; and (ii) completion of the procurement capacity assessment and cost-benefit analysis for partners designated to undertake procurement on UNHCR's behalf in 2017.

C. Distribution of non-food items

There was a need to strengthen monitoring of distribution of NFIs

20. UNHCR procedures on commodity distributions and emergency response require the Representation to put in place adequate arrangements for planning, monitoring and reporting of the distribution of non-food items. This includes establishing criteria for the selection of beneficiaries and developing distribution plans, regular on-site distribution monitoring, post distribution monitoring, updating the actual quantities distributed in an electronic system, and preparing reconciliation reports.

21. OIOS reviewed the system put in place by the Representation for distribution of NFIs amounting to \$2.7 million during the period covered by the audit and noted that distributions in four States in the north-east region were adequately conducted in line with UNHCR requirements. However, for NFIs distributed in Benue State amounting to \$143,000, OIOS observed the following control weaknesses:

- There were no distribution lists duly signed by the beneficiaries on delivery of NFIs to indicate that the inventories were distributed to the intended persons of concern.
- The Representation did not carry out reconciliations between the NFIs issued to the partner for distribution and actual items distributed to IDPs.
- The Representation did not carry out post distribution monitoring.

22. The above shortcomings were due to lack of a monitoring framework for ensuring that NFI control activities were systematically implemented in all locations in the field. This presented a risk that not all NFIs reached the intended beneficiaries.

(2) The UNHCR Representation in Nigeria should put in place a robust monitoring framework for distribution of non-food items (NFIs) across the Nigeria operations to ensure that: (i) distribution lists are systematically signed by beneficiaries and reviewed by field staff; (ii) a reconciliation between NFIs issued and those distributed to beneficiaries is undertaken after each distribution; and (iii) post distribution monitoring is regularly carried out.

The Representation accepted recommendation 2 and stated that it had put in place a monitoring framework to ensure that distribution lists were signed by the beneficiaries, and reconciliations and post distribution monitoring were systematically carried out. Based on the action taken and documentation provided, recommendation 2 has been closed.

D. Financial tracking and reporting

There was a need to strengthen controls over approval of financial transactions, cash management, and monitoring and reporting of open items

23. The Representation is required to put in place an adequate control system over financial management, including in respect of delegation of authority; management of cash and bank accounts; disbursement of expenditures; monitoring of receivables (open items); and submission of monthly financial reports to UNHCR headquarters.

24. The Representation had prepared a Delegation of Authority Plan, conducted regular bank reconciliations, and controlled disbursements of administrative expenditures. However, OIOS observed the following control weaknesses in approval of financial transactions, management of petty cash, and monitoring and reporting of open items:

- A Payment Approver approved seven payments to himself totaling \$3,400. All of them were related to travel expenses and were for justified purposes. However, during the period covered by the audit, he also approved 779 non-purchase order vouchers totaling \$1.0 million and 87 purchase orders totaling \$1.7 million without first checking the purpose of the transactions and the related supporting documents.

- The Representation did not create a petty cash account for any of the five new offices established in 2015. Instead, it used operational advances, mainly for fuel for vehicles and generators, amounting to approximately \$1,400 per office and month. Since such payments were a recurrent mechanism, the establishment of a petty cash account should have been considered instead.
- The Representation did not monitor open items, although such monitoring was required as one of the main month-end tasks. Open items older than one year relating to medical advances amounted to \$229,000. In addition, the Representation did not include a list of open items, and explanation of each of them, in the month-end package which it submitted to UNHCR headquarters monthly.

25. The main reason for the cited weaknesses was that while the Representation’s operation had been rapidly growing, the Admin/Finance Officer joined the Representation only in February 2016 and, before his arrival, management controls over compliance with UNHCR policies and procedures regarding financial management were weak. As a result, the Representation was exposed to the risk of loss of financial resources, including through increased potential for fraud.

(3) The UNHCR Representation in Nigeria should put in place documented control arrangements to ensure compliance with UNHCR rules and procedures related to approval of financial transactions, cash management, and monitoring and reporting of open items.

UNHCR accepted recommendation 3 and stated that it had put in place control arrangements to ensure that staff members assuming new roles and functions related to approval of financial transactions were reminded of guidelines to exercise such duties, that petty cash accounts had been created for the five new field offices, and that open items were monitored and their status was included in the month-end financial reporting package. Based on the action taken by UNHCR and documentation provided, recommendation 3 has been closed.

E. Security and staff safety

[REDACTED]

[REDACTED]

[REDACTED]



F. Procurement and vendor management

There was a need to improve management supervision and oversight arrangements over procurement and vendor management

29. UNHCR procurement rules and procedures require the Representation to: (i) establish an effective vendor management system; (ii) prepare an annual procurement plan; (iii) implement competitive and transparent bidding procedures through tendering; and (iv) ensure adequate oversight over procurement activities and management of contracts through the establishment and effective functioning of a Local Committee on Contracts (LCC).

30. OIOS reviewed the vendor management and procurement procedures put in place by the Representation and tested on a sample basis 39 purchase orders worth \$3.2 million from the total local procurement volume of \$5.1 million during 2014, 2015 and 2016 (up to end of March 2016). The Representation had established a Vendor Review Committee and prepared annual procurement plans for 2014, 2015 and 2016. However, OIOS observed the following:

- The Representation had a local vendor database maintained in Excel containing 50 active vendors. However, 11 of the 50 vendors did not have accounts in the master vendor database contained in MSRP. Furthermore, MSRP contained 1,291 vendors, of which 26 had duplicate identification numbers. The discrepancy between the local database and MSRP and the duplication of data within MSRP exposed the Representation to erroneous payments to inactive/dormant vendors as well as increased risk of double payments to vendors with duplicate accounts. Moreover, the Representation undertook a vetting process only for the 50 active vendors contained in the local database, while all 1,291 vendors in MSRP remained recorded as “active”. Finally, the Representation did not conduct any performance evaluations of its vendors.
- The Representation sent out 35 invitations to bid (ITBs) and in each of the cases the number of days given to the vendors to submit their bids was between 3 and 12 days instead of 4 to 8 weeks as required by UNHCR procedures.

- Of the 35 cases where ITBs were sent, the Representation sent them only to 3 to at the most 14 vendors. As a result, 53 per cent of the local procurements in dollar terms had been sourced from the 13 vendors.
- The Representation did not adopt the two envelope system for ITBs and did not have a Technical Evaluation Committee before June 2016 to review whether the bids conformed to the requirements set forth in the ITBs.
- Although the Bid Opening Committee was in place, the Representation did not comply with the bid opening rules requiring all offers to be received by a staff member who must be designated in writing by the Head of Office. After the audit fieldwork, the Representative formally set up a Bid Opening Committee.
- In respect of procurement of business startup kits for vulnerable IDP women in the north-east area amounting to \$80,000, the bid analysis indicated that the two lowest bidders quoted exactly the same unit prices for 45 different items which were mainly generic goods such as locally-manufactured ovens, trays and chairs and whose prices could reasonably be expected not to be identical. Although this indicated that the two bidders could be colluding with each other, the Representation procured the items from both of them, instead of disqualifying them or conducting additional inquiries.
- For two procurement cases related to various NFIs amounting to \$83,000 and \$105,000 respectively, which exceeded the threshold of \$20,000, the contracts were awarded to vendors without competitive bidding and without submitting a request for waiver to LCC.
- Contracts for office supplies, security services, printing, computer equipment and conference facilities from eight vendors with a cumulative value of \$20,000 or more during a year were not submitted to LCC as required.
- A service contract for the provision of office security had been running since 2013 without any competitive bidding to assess whether it was still competitive. The contract had been renewed every year at a cost of approximately \$2,215 per month which corresponded to over \$26,000 per year and, therefore, should have been presented to LCC for review. The Representation also did not conduct any performance evaluations of this vendor to support the renewal of the contract.
- Goods Received Notes were not prepared upon delivery of goods in 2014 and 2015. Although the Representation started to prepare such notes in January 2016, they were not attached to the payment vouchers as supporting documents as required.

31. The cited shortcomings were partly due to staffing constraints in the Representation which did not have a Supply Officer until May 2015. In addition, the Supply Section did not have any supporting staff. Under these circumstances, the Representation had not established adequate procurement planning, supervision and oversight arrangements for its vendor management and procurement activities. As a result, it was exposed to the risk of financial losses, including through increased risk of fraud, inefficient operations, and not receiving best value from the acquisition of goods and services.

<p>(5) The UNHCR Representation in Nigeria should develop and implement an action plan to: (i) ensure that the Supply Section has sufficient capacity to discharge its duties; (ii) put in place adequate procedures for vendor vetting, registration and performance evaluation;</p>
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and (iii) establish procedures to ensure that competitive bidding is systematically carried out for procurement of goods and services, and contracts are submitted for review and approval to the relevant Committee on Contracts before being awarded.

The Representation accepted recommendation 5 and stated that: (i) the new Supply Officer had assumed charge in September 2016 and the position of Senior Supply Assistant had been advertised; (ii) the Representation had reconstituted the Vendor Review Committee to undertake adequate procedures for vendor vetting, registration and performance evaluation, and (iii) the Representation was in regular contact with the Regional Supply Officer based in Dakar for advice and guidance on procurement activities. Based on the action taken and documentation provided, recommendation 5 has been closed.

V. ACKNOWLEDGEMENT

32. OIOS wishes to express its appreciation to the management and staff of UNHCR for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Nigeria 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 Nigeria should develop and implement an action plan to enhance staff awareness and strengthen management controls to ensure that risks associated with selection and retention of partners and designation of procurement authority to partners are effectively managed.	Important	O	Submission to OIOS of evidence of: (i) implementation of the partner selection/retention process for 2017 in line with UNHCR requirements; and (ii) completion of the procurement capacity assessment and cost-benefit analysis for partners designated to undertake procurement on UNHCR's behalf in 2017.	31 December 2016
2	The UNHCR Representation in Nigeria should put in place a robust monitoring framework for distribution of non-food items (NFIs) across the Nigeria operations to ensure that: (i) distribution lists are systematically signed by beneficiaries and reviewed by field staff; (ii) a reconciliation between NFIs issued and those distributed to beneficiaries is undertaken after each distribution; and (iii) post distribution monitoring is regularly carried out.	Important	C	Action taken	Implemented
3	The UNHCR Representation in Nigeria should put in place documented control arrangements to ensure compliance with UNHCR rules and procedures related to approval of financial transactions, cash management, and monitoring and reporting of open items.	Important	C	Action taken	Implemented

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

³ C = closed, O = open

⁴ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Nigeria 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
5	The UNHCR Representation in Nigeria should develop and implement an action plan to: (i) ensure that the Supply Section has sufficient capacity to discharge its duties; (ii) put in place adequate procedures for vendor vetting, registration and performance evaluation; and (iii) establish procedures to ensure that competitive bidding is systematically carried out for procurement of goods and services, and contracts are submitted for review and approval to the relevant Committee on Contracts before being awarded.	Important	C	Action taken	Implemented

APPENDIX I

Management Response

Management Response

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

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Nigeria should develop and implement an action plan to enhance staff awareness and strengthen management controls to ensure that risks associated with selection and retention of partners and designation of procurement authority to partners are effectively managed.	Important	Yes	Programme Officer and Supply Officer	31/12/2016	The partner selection/retention process for 2017 should be completed by the end of December 2016. Procurement capacity of partners designated to undertake procurement on UNHCR's behalf will be assessed along with cost-benefit analysis to be conducted shortly after the Representation has completed the selection/retention process.
2	The UNHCR Representation in Nigeria should put in place a robust monitoring framework for distribution of non-food items (NFIs) across the Nigeria operations to ensure that: (i) distribution lists are systematically signed by beneficiaries and reviewed by field staff; (ii) a reconciliation between NFIs issued and those distributed to beneficiaries is undertaken after each distribution; and (iii) post distribution monitoring is regularly carried out.	Important	Yes	Assistant Representative (Operation) with Programme Officer	implemented	Recommendation 2 has been closed.
3	The UNHCR Representation in Nigeria	Important	Yes	Admin./Fin.	implemented	The required Petty Cash Accounts

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

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

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	should put in place documented control arrangements to ensure compliance with UNHCR rules and procedures related to approval of financial transactions, cash management, and monitoring and reporting of open items.			Officer		and Cash Account have been approved and are now in place since December 2016.
5	The UNHCR Representation in Nigeria should develop and implement an action plan to: (i) ensure that the Supply Section has sufficient capacity to discharge its duties; (ii) put in place adequate procedures for vendor vetting, registration and performance evaluation; and (iii) establish procedures to ensure that competitive bidding is systematically carried out for procurement of goods and services, and contracts are submitted for review and approval to the relevant Committee on Contracts before being awarded.	Important	Yes	Supply Officer	implemented	Recommendation 5 has been closed.