



INTERNAL AUDIT DIVISION

REPORT 2016/180

Audit of the Vendor Review Committees and Committees on Contracts in field operations of the Office of the United Nations High Commissioner for Refugees

There was a need to strengthen monitoring over the establishment and functioning of Vendor Review Committees and clarify roles, responsibilities and controls relating to Regional and Local Committees on Contracts

21 December 2016
Assignment No. AR2016/167/01

**Audit of the Vendor Review Committees and Committees on Contracts
in field operations of 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 functions performed by Vendor Review Committees, Regional and Local Committees on Contracts in the Office of the United Nations High Commissioner for Refugees (UNHCR) field operations. The audit covered the period from 1 January 2014 to 30 June 2016 and included a review of: establishment, composition and functioning of Vendor Review Committees in field operations; and establishment, composition and functioning of Regional and Local Committees on Contracts.

There was a need for UNHCR to strengthen arrangements for monitoring the establishment and effective functioning of Vendor Review Committees in field operations, and to clarify the roles, responsibilities and control mechanisms for monitoring the establishment and effective functioning of Regional and Local Committees on Contracts.

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

- Put in place appropriate arrangements for monitoring the establishment and effective functioning of Vendor Review Committees in field operations; and
- Clarify the roles for monitoring the establishment and effective functioning of the Regional and Local Committees on Contracts and the respective control mechanisms for discharging such responsibilities.

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

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**Audit of the Vendor Review Committees and Committees on Contracts
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I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the Vendor Review Committees and Committees on Contracts in field operations of the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The Financial Regulations and Rules for Voluntary Funds Administered by the High Commissioner for Refugees authorize the High Commissioner to establish committees on contracts at headquarters and regional and local levels to review the award of contracts. Under this authority, the High Commissioner issued in 2013 Revised Rules and Procedures of the UNHCR Committees on Contracts defining the composition, authority and responsibility of the Headquarters Committee on Contracts (HCC), Regional Committees on Contracts (RCCs) in regional offices, and Local Committees on Contracts (LCCs) in country offices. As of December 2015, UNHCR had, in addition to the HCC, 10 RCCs and 87 LCCs.
3. In 2010, UNHCR streamlined its vendor registration process to improve transparency and to enhance the quality of data recorded in the vendor database. Terms of reference for Vendor Review Committees (VRCs) were also introduced to ensure consistency in facilitating and overseeing vendor registration and vendor performance evaluation. As of December 2015, UNHCR had 93 VRCs, of which one was at headquarters and 92 were in the field (including in some sub-offices and field offices). Chapter 8 of the UNHCR Manual lays out the vendor registration process at UNHCR.
4. The Procurement Service under the Division of Emergency, Security and Supply (DESS) consists of two sections: (i) Headquarters Section, which supports headquarters entities on procurement activities, contract management and vendor management; and (ii) Field Section, which provides support to Representations in the field by providing advice on specific procurement issues, carrying out procurement actions on behalf of Representations, assisting Representations in the submission of procurement cases to the HCC, and formulating and enhancing procurement policies and procedures including support for supply staff capacity development and communication. In field operations, the respective Supply Management Units or Administration and Finance Units are responsible for local procurement activities in compliance with UNHCR procurement rules and procedures.
5. Local procurement by UNHCR country operations in 2015 amounted to \$668 million. UNHCR's global vendor database, which is maintained under the Supply Chain module of Managing for Systems, Resources and People (MSRP), the UNHCR enterprise resource planning system, contained a total of 8,702 vendors as at 31 March 2016. The VRC at headquarters is in charge of maintaining the vendor database at headquarters while the VRCs in field operations are responsible for maintaining the respective vendor databases. MSRP serves as the central repository of all vendor databases across UNHCR. The vendors are assigned unique identification numbers and broken down by cost centre.
6. Comments provided by UNHCR 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 the functions performed by VRCs, RCCs and LCCs in UNHCR field operations.

8. This audit was included in the 2016 risk-based work plan of OIOS due to the risks associated with procurement and vendor management activities in UNHCR's field operations, in particular regarding the achievement of value for money, if VRCs, RCCs and LCCs are not undertaking their duties effectively.

9. OIOS conducted this audit from May to September 2016. The audit covered the period from 1 January 2014 to 30 June 2016. Based on an activity-level risk assessment, the audit covered higher and medium risk areas pertaining to the role and functions of field-based VRCs, RCCs and LCCs. These included risks related to: establishment, composition and functioning of VRCs in field operations; and establishment, composition and functioning of RCCs/LCCs in field operations. The UNHCR offices covered in the audit included the Representations in Guinea, Iraq, Israel, Italy, Malaysia, Nigeria, Senegal and Western Sahara, which consisted of two RCCs (in Italy and Senegal) and six LCCs.

10. The audit methodology included: (a) interviews of key personnel, (b) review of relevant documentation, (c) analytical reviews of data, including financial data from MSRP; and (d) testing of controls using random sampling.

III. OVERALL CONCLUSION

11. OIOS concluded that there was a need for UNHCR to strengthen arrangements for monitoring the establishment and functioning of VRCs in field operations, and to clarify the roles, responsibilities and controls for monitoring the establishment and functioning of RCCs and LCCs in field missions.

IV. AUDIT RESULTS

A. Establishment and composition of Vendor Review Committees

There was a need to put in place appropriate monitoring arrangements over the establishment, composition, definition of roles and responsibilities, and working modalities of VRCs

12. UNHCR Representations are required to establish and maintain a VRC to ensure efficient and effective management of vendors in support of procurement activities, particularly the vendor solicitation process. This includes ensuring appropriate composition of the VRC, defining the roles and responsibilities of members of the VRC, and establishing the quorum when convening VRC meetings. The standard terms of reference of VRCs in UNHCR require the Committee to meet once a month or more often if required. The Procurement Service at headquarters is responsible for monitoring the Representations' compliance with these requirements.

13. In 5 of the 8 field operations reviewed (Guinea, Israel, Italy, Malaysia and Western Sahara), the Representations had not established a VRC at the time of the OIOS visit to these locations. However, each of them took prompt action to subsequently establish the Committee. Therefore, OIOS also included a review of the composition memoranda of these VRCs in the scope of this audit.

14. OIOS observed the following deficiencies in the establishment and composition of VRCs in the Representations reviewed:

- The Representations in Guinea, Israel, Italy, Malaysia, Nigeria and Western Sahara did not provide a copy of the composition memorandum to the Procurement Service. This reduced the ability of the Procurement Service to exercise adequate monitoring of compliance by the Representations with the instructions for the establishment and composition of VRCs. The Representations in Iraq and Senegal complied with this requirement.
- The Representations in Iraq, Italy and Senegal had a balanced and multi-functional VRC composition, and also included supply staff as Committee members. However, due to lack of dedicated supply staff, the Representations in Guinea, Israel, Malaysia, Nigeria and Western Sahara constituted the VRC with members from non-supply functions. In four of these countries, members included international professional staff; however, in the case of Guinea, the VRC consisted entirely of local staff. OIOS appreciates that in smaller Representations difficulties were encountered in ensuring adequate availability of expertise in procurement of goods and services in the composition of the VRC. Therefore, respective heads of country operations and the Procurement Service need to more closely supervise and monitor those VRCs.
- The Representations in Guinea, Israel, Malaysia, Senegal and Western Sahara did not refer in their VRC composition memorandum to the standard terms of reference containing the rules of procedures of the Committee, as an important component in guiding the work of the Committee members. The Representations in Iraq, Italy and Nigeria had taken action in line with the requirement.
- A quorum for the VRC provides the minimum number of members to enable the Committee to make authoritative decisions. The Representations in Israel, Nigeria and Western Sahara indicated in the composition memorandum the quorum required for each VRC meeting; however, the Representations in Guinea, Iraq, Malaysia and Senegal did not comply with this requirement. In Italy, the Secretary of the Committee was included as part of the quorum in addition to the three members of the VRC. This was not in accordance with the rules since such decision-making authority is granted exclusively to the chair and ordinary members of the VRC.
- The Representations in Iraq, Italy, Nigeria and Western Sahara referred in the composition memorandum to the need to convene VRC meetings at least once a month. However, the Representations in Guinea, Israel, Malaysia and Senegal did not specify such a requirement. If the VRC does not meet frequently, there is a risk that vendor databases may become outdated and subject to error. This can also increase the potential for fraudulent procurement activities.

15. The above-mentioned deficiencies occurred because: (a) management at field level did not adequately supervise the proper application of rules on establishment and composition of VRCs; and (b) the Procurement Service did not sufficiently monitor that Representations were submitting the VRC composition memorandum to headquarters, and lack of review thereof when submitted. This limited the ability of the Procurement Service to take appropriate and timely action to address any deficiencies.

16. During the planning stage for this audit, the Procurement Service had some difficulty in ascertaining how many field operations had established a VRC. It had to communicate directly with the Representations in the field in this regard.

17. As a result, there was an institutional risk to UNHCR that VRCs were not performing their mandated functions in ensuring efficient and effective management of vendors in supporting procurement activities in field operations. However, given that this issue, in particular the root causes of the deficiencies observed, is closely related to the functioning of VRCs discussed in the next section of the report, OIOS is not raising a separate recommendation in this regard.

B. Functioning of Vendor Review Committees

There was a need to strengthen monitoring arrangements over the effective functioning of VRCs

18. The Representations are required to ensure that VRCs effectively facilitate and oversee the processes over: (i) vendor registration; (ii) vendor performance evaluation; and (iii) updating of the vendor database. Representations are also required to implement the rules of procedures of the VRC relating to the documentation of the work of the Committee. The Procurement Service is responsible for monitoring the effective implementation of the VRC functions in the field.

19. OIOS review of the functioning of the VRCs in the eight field operations visited indicated the following:

- The Regional Representation in Senegal followed the UNHCR rules for pre-qualifying vendors based on established criteria for vendor registration. However, the other seven Representations registered new vendors upon issuance of purchase orders or contracts. This posed risks of transacting with vendors who may lack capacity to meet their commitments or who may be involved in unethical activities. In five of these seven offices, i.e. in Guinea, Israel, Italy, Malaysia and Western Sahara, as there was no VRC until after the audit visits took place, there was also no Committee to facilitate and oversee the correct application of the vendor registration procedures.
- None of the Representations undertook systematic vendor performance evaluations after delivery of the goods and services. When evaluations were prepared, they were not used to update the vendor database, increasing the risk of Representations continuing to conduct business with non-performing vendors.
- Except for Iraq, Malaysia and Senegal, the Representations did not review and evaluate the status of vendors who had been inactive for the past three years. For example in Guinea, the vendor database contained 700 inactive vendors. This posed risks of delaying the solicitation processes and of erroneous or fraudulent payments to inactive vendors.
- At seven Representations (Israel, Italy, Guinea, Malaysia, Nigeria, Senegal and Western Sahara), the vendor database contained duplicate entries for the same vendors. In Guinea, there were 31 and in Nigeria 26 such cases. In Nigeria, 11 of the vendors did not have any vendor identification numbers. Of the offices reviewed, only Iraq had taken action to ensure that the vendor database did not contain duplicates. This condition exposed UNHCR to the risk that erroneous or fraudulent payments could be made to vendors with duplicate vendor identification.

20. The cited deficiencies occurred because of: (i) inadequate supervision of the functioning of RCCs and LCCs by local management in the field; (ii) absence of VRCs in five of the operations reviewed (for the large part of the period covered by this audit); and (iii) insufficient monitoring and support by the Procurement Service in ensuring that VRCs are performing the functions expected of them.

21. As a result, the objective of having an updated and reliable vendor database was not fully achieved as vendor databases were either outdated, or contained duplicate or inactive vendors. In addition, there was reduced assurance institutionally over the integrity and effectiveness of the vendor registration and evaluation processes in field operations.

(1) The UNHCR Division of Emergency, Security and Supply, in consultation with the Regional Bureaux, should put in place appropriate arrangements for monitoring the establishment and effective functioning of Vendor Review Committees in field operations.

UNHCR accepted recommendation 1 and stated that the Procurement Service had established a Vendor Management and Contract Administration Unit with three staff based in Budapest. The Unit was responsible for monitoring the establishment and effective functioning of VRCs in field operations. This Unit was fully staffed and operational. Recommendation 1 remains open pending receipt of evidence of the arrangements the Vendor Management and Contract Administration Unit has put in place to enhance monitoring of the establishment and effective functioning of VRCs.

C. Establishment and composition of Regional and Local Committees on Contracts

There was a need to strengthen monitoring arrangements over the establishment, composition, definition of roles and responsibilities, and working modalities of RCCs and LCCs

22. RCCs and LCCs are established to review and provide written advice to heads of operations on actions leading to the award or amendment of procurement contracts and contracts that involve income to UNHCR. The establishment of RCCs/LCCs includes setting out the composition of the Committee, clearly defining the roles and responsibilities of the Chairpersons and Members of the Committee, and determining the required quorum when convening Committee meetings. Only Professional level staff, Field Service staff, and National Officers can become a member of the RCC or LCC. Members should not be part of the Supply Unit to avoid a conflict of interest situation.

23. All eight Representations reviewed had established an RCC or LCC for the period covered by the audit. However, OIOS noted the following weaknesses regarding the establishment of these Committees:

- The Representations in Guinea, Italy, Malaysia, and Western Sahara did not comply with the requirement to submit the RCC/LCC composition memorandum to the relevant offices/officials at UNHCR.
- In Iraq, the Representation's composition memorandum indicated the roles and responsibilities of members of the LCC; however, no details were indicated by the offices in Guinea, Israel, Italy, Malaysia, Nigeria, Senegal and Western Sahara.
- In Israel, Italy, Malaysia and Senegal, the required quorum and frequency of convening the RCC/LCC meetings were not indicated in the composition memorandum, while they were appropriately indicated in those of the offices in Guinea, Iraq, Nigeria and Western Sahara.
- In Guinea and Nigeria, the LCC included members from the General Service staff category contrary to the UNHCR rule that only Professional, Field Service, or National Officer can become a member of LCC. Both offices rectified the composition subsequent to the audit.

- At the Regional Representation in Senegal, the RCC deliberated on submissions from the Representations in Niger and Burkina Faso although they were not specifically mentioned in the terms of reference as being under the RCC's jurisdiction. The two country Representations had requested to make their procurement submissions through the Regional Representation. However, this was not clarified in the establishment memorandum of the RCC in Senegal.

24. The above resulted from inadequate supervision by management at regional and country level over the implementation of the rules on the establishment and composition of RCCs/LCCs. In addition, the monitoring mechanisms of the relevant entities at UNHCR were not fully effective as the respective control responsibilities were not clearly defined. For example, the Rules and Procedures of the UNHCR Committees on Contracts stipulated that the establishment and composition of an RCC should be communicated to the HCC with a copy to the Controller and the Head of Procurement Service. The establishment and composition of an LCC should be communicated to the Regional Representation/Hub Manager or Regional Coordinators (where applicable), the Desk/Liaison Unit in the relevant Regional Bureau at headquarters, as well as to the Controller and the Head of Procurement Service. The UNHCR Guidelines on the Establishment of RCCs and LCCs, last updated in August 2010 but still available in UNHCR Intranet and not formally superseded, however, indicated that the Chief of Supply Infrastructure Support Section (predecessor to Procurement Service) should review the composition of RCCs/LCCs worldwide as part of his oversight functions.

25. As was the case with VRCs, the Procurement Service had difficulty in determining how many field operations had constituted an RCC or an LCC, and had to obtain the information directly from the Representations.

26. As a result, there was an institutional risk to UNHCR that RCCs and LCCs were not performing their mandated functions in ensuring that procurement processes demonstrate integrity, efficiency and effectiveness and procurement rules and procedures are complied with. However, given that this issue, in particular the root causes of the control weaknesses observed, is closely related to the functioning of RCCs and LCCs discussed in the next section of the report, OIOS is not raising a separate recommendation in this regard.

D. Functioning of Regional and Local Committees on Contracts

There was a need to clarify responsibilities for monitoring the effective functioning of RCCs and LCCs

27. The Representations are required to put in place adequate arrangements to ensure effective functioning of RCCs/LCCs. The committees on contracts have a mandated role to ensure that competitive and transparent bidding procedures are conducted for procurement of goods and services based on established financial threshold. In order for the RCC/LCC to discharge its responsibilities, the Committee should receive complete, timely and appropriate submissions of all procurement cases falling under its purview, including waivers of competitive bidding and post-facto notifications. The authority of LCCs includes deliberation on cases where the aggregate procurement from a single vendor exceeds \$20,000 in a year (up to \$150,000). The corresponding financial threshold for RCCs is generally \$150,000 (up to \$500,000). Copies of the minutes of each RCC/LCC meeting should be sent to the Head of Procurement Service for review and comments, with a copy to the Secretary of the HCC.

28. OIOS reviewed purchase orders and contracts totaling \$22.0 million out of the total procurement volume of \$41.0 million in the eight Representations reviewed. While the RCCs or LCCs in all these operations had regularly convened meetings to review procurement cases, members of these committees

did not identify and address a number of systemic weaknesses in procurement activities. OIOS observed the following shortcomings:

- Procurement cases were not consistently submitted for review by the LCC or the RCC, as applicable, in any of the operations reviewed. Out of the sample tested by OIOS, 19 contracts with an aggregated value of \$5.7 million (14 per cent of the value under review in the period of the audit's scope) were not submitted to the appropriate Committee. The Committees had also not established any mechanisms to track which cases should be submitted to them. Therefore, a significant volume of contracts was at risk of being awarded before adequate review and approval.
- The Representation in Iraq waived the requirement of a competitive procurement process for 31 out of 40 procurement cases totaling \$5.5 million, which could not be supported by the emergency nature of the operation alone. Further review of the necessity of excessive use of waivers and post-facto notifications was required to ensure achievement of best value for money in the procurement process. The LCC in Iraq did not indicate in its minutes of meetings whether waivers of competitive bidding and post-facto notifications were always justified.
- Also in Iraq, the Representation did not provide sufficient time for vendors to respond to bids in three procurement cases totaling \$804,850. The bidding time was reduced in each case to one to two weeks, instead of four to eight weeks required by the current rules, in each case without appropriate justification. Similarly in Nigeria, the Representation gave vendors between 3 to 12 days to submit bids, and in Senegal, the Regional Representation gave vendors an average of 10 days to bid. This exposed the offices to risks related to inadequate response to tenders, possible collusion, and unfair advantage to some bidders.
- In Guinea, the Representation did not have a systematic filing system to track documents submitted to the LCC resulting in the inability to determine if the Committee had reviewed the adequacy of competitive bidding procedures. In Israel, the notifications to convene LCC meetings were not sent at least 24 hours in advance, and there was no evidence that the members were provided with an agenda for each meeting. In Malaysia, submissions to the LCC in 2016 were also not circulated to members sufficiently in advance of the meetings. All these cases demonstrated that there was a need to improve the administration of and preparation for the meetings.
- The Representations in Guinea, Italy and Western Sahara did not send the minutes of RCC/LCC meetings to the Head of Procurement Service and the Secretary of the HCC as required.

29. The above deficiencies occurred because of inadequate management supervision at the Representations regarding the proper functioning of RCCs or LCCs in overseeing compliance with established procurement rules before award of contracts. There was also a need to strengthen the support and monitoring arrangements at headquarters regarding the functioning of RCCs and LCCs, and clarify the roles and control mechanisms for exercising these responsibilities. The existing rules and procedures did not clearly define the role of the HCC in monitoring the functioning of field-based committees on contracts. Similarly, although not required to be copied on RCC/LCC minutes, the Regional Bureaux had a responsibility, in line with Chapter 2 of the UNHCR Manual, for enforcing and monitoring compliance with UNHCR's financial rules.

30. As a result of the identified control weaknesses, the Representations reviewed were exposed to the risk of financial losses, including through fraud, and not receiving best value for money from acquisition of goods and services.

31. The Division of Financial and Administrative Management (DFAM) explained that it was developing a dedicated training programme for members of contracts committees. It had also reminded Representatives, in the annual planning instructions for 2017, about the need to follow the requirements for administering the RCC/LCC meetings. The Procurement Service added that it would remind supply officers in the field about the requirements for the quality and completeness of cases to be submitted to the contracts committees.

32. Furthermore, DFAM informed that the HCC was in the process of revising the Rules and Procedures of the UNHCR Committees on Contracts. In the opinion of OIOS, this provided an opportune modality to clarify the respective roles and responsibilities, and the controls to be applied, for monitoring the effective functioning of RCCs and LCCs. The essential control responsibilities that required clarification were in relation to: (i) monitoring of the establishment and composition of the committees (discussed in the previous section); (ii) monitoring of the quality of the submission of documents to the committees; (iii) monitoring of the administrative proceedings of the committees; and (iv) monitoring of the quality of the decisions made by the committees.

(2) The UNHCR Headquarters Committee on Contracts, in coordination with the Division of Emergency, Security and Supply and the Regional Bureaux, should clarify the roles for monitoring the establishment and effective functioning of the Regional and Local Committees on Contracts and the respective control mechanisms for discharging such responsibilities.

UNHCR accepted recommendation 2 and stated that the revised Rules and Procedures governing the UNHCR Committees on Contracts would be issued by the end of September 2017. Recommendation 2 remains open pending receipt of the revised Rules and Procedures governing the UNHCR Committees on Contracts which should include provisions to clarify the roles for monitoring the establishment and effective functioning of the LCCs/RCCs and the respective control mechanisms for discharging such responsibilities.

V. ACKNOWLEDGEMENT

33. 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.

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STATUS OF AUDIT RECOMMENDATIONS

**Audit of the Vendor Review Committees and Committees on Contracts in field operations
of 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 Division of Emergency, Security and Supply, in consultation with the Regional Bureaux, should put in place appropriate arrangements for monitoring the establishment and effective functioning of Vendor Review Committees in field operations.	Important	O	Submission to OIOS of evidence of the arrangements the Vendor Management and Contract Administration Unit has put in place to enhance monitoring of the establishment and effective functioning of VRCs	31 December 2017
2	The UNHCR Headquarters Committee on Contracts, in coordination with the Division of Emergency, Security and Supply and the Regional Bureaux, should clarify the roles for monitoring the establishment and effective functioning of the Regional and Local Committees on Contracts and the respective control mechanisms for discharging such responsibilities.	Important	O	Submission to OIOS of the revised Rules and Procedures governing the UNHCR Committees on Contracts which should include provisions to clarify the roles for monitoring the establishment and effective functioning of the LCCs/RCCs and the respective control mechanisms for discharging such responsibilities	30 September 2017

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.

APPENDIX I

Management Response

Management Response

**Audit of the Vendor Review Committees and Committees on Contracts
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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Division of Emergency, Security and Supply, in consultation with the Regional Bureaux, should put in place appropriate arrangements for monitoring the establishment and effective functioning of Vendor Review Committees in field operations.	Important	Yes	Head of Procurement Service	Implemented	The UNHCR Division of Emergency, Security and Supply (DESS) has established a Vendor Management and Contract Administration Unit (VMCA) within its Procurement Service (PS). VCMA has three staff based in Budapest and is responsible for monitoring the establishment and effective functioning of VRCs in field operations. Considering that this Unit is now fully staffed and operational, this recommendation is implemented.
2	The UNHCR Headquarters Committee on Contracts, in coordination with the Division of Emergency, Security and Supply and the Regional Bureaux, should clarify the roles for monitoring the establishment and effective functioning of the Regional and Local Committees on Contracts and the respective control mechanisms for discharging such responsibilities.	Important	Yes	Secretary to HCC	30 September 2017	The revised Rules and Procedures governing the UNHCR Committees on Contracts will be issued by the end of September 2017.

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.