INTERNAL AUDIT DIVISION

REPORT 2018/111

A review of recurrent issues in programme monitoring in past internal audit reports at the Office of the United Nations High Commissioner for Refugees (Assignment No. VR2018/163/01)

There was a critical need for UNHCR to enforce existing requirements for impact monitoring to address cross-cutting institution level root causes for recurring weaknesses in programme monitoring

19 November 2018
Assignment No. VR2018/163/01

Review of recurrent issues in programme monitoring in past internal audit reports at the Office of the United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted a review of recurrent issues in programme monitoring in past internal audit reports at the Office of the United Nations High Commissioner for Refugees (UNHCR). The objectives of this review were: to provide a consolidated view of control weaknesses related to programme monitoring identified in past internal audits of UNHCR field operations; to identify and analyze root causes of such weaknesses; and to raise institution level recommendations to address them. The review covered OIOS internal audit reports issued from 1 January 2015 to 31 December 2017.

There was a critical need for UNHCR to introduce controls to enforce existing requirements for impact monitoring to address the institution level root causes for recurring weaknesses in programme monitoring in field operations. UNHCR also needed to: assign overall accountabilities, responsibilities and authorities for monitoring; strengthen the accountability of the Multi-Functional Team; and introduce controls to ensure alignment between operations plans and planned performance through direct implementation and partners.

OIOS made one critical and four important recommendations. To address issues identified in the review, UNHCR needed to:

- Assign responsibilities at UNHCR headquarters to support field operations in impact monitoring by: a) confirming that each field operation has developed an Impact Monitoring Plan approved by the Representative in addition to project level performance monitoring plans; b) implementing measures to assess the quality of monitoring plans in determining actual performance against targets; and c) monitoring the execution of these plans **(critical)**;
- Conduct a review of all current monitoring tools, systems, approaches and frameworks and, based on such a review, develop an overall coordinated approach to monitoring, while ensuring the existence of consistent and streamlined guidance, tools, information systems, learning programmes and reporting mechanisms;
- Update standard job descriptions for Representatives and Chiefs of Mission to specify their responsibility for ensuring that a Multi-Functional Team approach is employed at all stages of the operations management cycle; ensure participation in the Multi-Functional Team for monitoring is included in the appropriate standard job descriptions; and issue instructions to supervising officers reminding them of the need to reflect participation in Multi-Functional Teams in the performance objectives of electronic Performance Appraisal Documents of relevant staff;
- Formally communicate to Representatives and Heads of Offices in field operations that they are responsible for ensuring the effective functioning of the Multi-Functional Teams; and
- Develop controls to ensure that the indicator and target values in the operations plan of each field operation are properly reflected across the sum of all planned indicators of all projects implemented through partners and all direct implementation.

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

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Review of recurrent issues in programme monitoring in past internal audit reports at the Office of the United Nations High Commissioner for Refugees

I.   BACKGROUND

1.   The Office of Internal Oversight Services (OIOS) conducted a review of recurrent issues in programme monitoring in past internal audit reports at the Office of the United Nations High Commissioner for Refugees (UNHCR).

2.   In UNHCR, overall strategic directions and priorities are determined by senior management. The Programme Management Cycle within UNHCR is described in the UNHCR Programme Manual. It specifies the process to be followed by the Organization in planning, implementing, monitoring, reporting and evaluating programmes. The Programme Manual defines monitoring as "the continuous review of programme implementation to confirm whether planned activities are on track to deliver the expected outputs and contribute to the expected impact". It adds that a number of operations "also monitor additional elements outside the results framework to provide complementary information on progress towards the context-specific objectives and associated targets in the operation's protection and solutions strategy". UNHCR field operations apply the UNHCR Results-Based Management (RBM) framework. This includes a results framework with objectives linked to various outputs and indicators. UNHCR uses a custom built RBM tool, Focus, to select indicators, set targets, and track and report on progress against them. The RBM framework is currently under revision. The scope of the RBM revision does not include monitoring.

3.   At headquarters, the Division of Programme Support and Management (DPSM) leads efforts to strengthen programme quality, capacity and RBM. DPSM is responsible for the Focus programme management tools, developing and refining the results framework and designing and overseeing the Annual Programme Review and Mid-Year Review processes. The Regional Bureaux are responsible for managing a consultative process to craft and articulate clear and consistent strategies in line with the corporate vision, strategy and results framework. The Bureaux also monitor and assess UNHCR's performance and impact in their regions through regular missions and through Focus. As a substantial amount of UNHCR's programme is delivered through partners, the Implementing Partnership Management Service (IPMS) within the Division of Financial and Administrative Management (DFAM) is also relevant to programme monitoring. IPMS is responsible for the management of the framework for implementing with partners at UNHCR, including setting policies, designing procedures, guidance, coordination, and implementation of strategies, as well as providing assurance over the use of financial resources spent through partnerships.

4.   In the field, country and regional offices have primary responsibility for developing operations plans with relevant indicators and targets based on needs assessments and on ground realities. Field operations are also responsible for collecting and reporting on performance through Focus based on their efforts to monitor and assess their impact and performance. Field operations are further responsible for planning, monitoring and reporting on the performance of their partners and consolidating this information through Focus.

5.   Comments provided by UNHCR are incorporated in italics.

II.   OBJECTIVE, SCOPE AND METHODOLOGY

6.   The objectives of this review were: to provide a consolidated view of control weaknesses related to programme monitoring, as defined by the UNHCR Programme Manual, identified in past internal audits of UNHCR field operations; to identify and analyze root causes of such weaknesses; and to raise institution level recommendations to address them. These institution level recommendations are intended to further improve the implementation of controls and procedures over programme monitoring in field operations to enable UNHCR to improve the effectiveness and efficiency of its operations and to better meet the needs of persons of concern.

7.   This review was included in the 2018 risk-based work plan of OIOS due to the importance of effective programme monitoring to achieve organizational objectives. It was also included because OIOS field audits have raised a number of similar recommendations in its audit reports, which have not been addressed in a holistic manner and the underlying root causes of the control weaknesses have not been fully identified. As a result, there remained a risk that corrective measures and actions have been addressed on a case-by-case basis, differing from operation to operation.

8.   OIOS conducted this review from March to June 2018. The review covered OIOS internal audit reports issued from 1 January 2015 to 31 December 2017.

9.   The methodology for the review involved the following steps:

a) Review of the 71 internal audit reports pertaining to UNHCR field operations issued between 1 January 2015 and 31 December 2017 to identify recurrent issues related to programme monitoring;
b) Joint identification of root causes of the recurrent issues with UNHCR through an OIOS facilitated workshop with participants from different functions in the field and relevant headquarters divisions;
c) Review of the status and adequacy of actions taken to implement the internal audit recommendations raised;
d) Review of the current control framework for programme monitoring (policies, manuals, agreements, systems and tools, as well as training, monitoring and oversight mechanisms), its evolution over the period covered, and any ongoing measures taken to enhance it, in order to assess its adequacy in addressing the root causes of recurrent issues; and
e) Identification of additional improvements required at the institution level.

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

11.   As the focus of the review was on root causes of recurrent audit issues in programme monitoring, the review only raises recommendations to further enhance the institution level controls. As regards the recommendations contained in the audit reports issued during the period that still remain open, OIOS will close them only after appropriate corrective actions have been implemented by the respective UNHCR Representations in the field.

III.   ANALYSIS OF PAST AUDIT REPORTS

12.   Between 1 January 2015 and 31 December 2017, OIOS issued 71 internal audit reports on UNHCR field operations. All of the 71 audits covered aspects of programme monitoring in their testing. Of these, 47 included one or more relevant recommendations in the final report.

13.   In total, OIOS raised 75 recommendations related to programme monitoring in the 47 final audit reports. Of these 75 recommendations, 67 were assessed as important and 8 were considered critical. As of 31 May 2018, 12 of the recommendations remained open. For the 63 closed recommendations, UNHCR had taken satisfactory action to address the control weaknesses in the field operation in question. However, none of these individual audit recommendations raised by OIOS, nor the corresponding management responses from UNHCR, addressed the weaknesses institution wide. Hence, similar deficiencies have continued to occur on a recurrent basis in multiple field locations.

14.   From preliminary analysis of the relevant audit recommendations, OIOS identified a number of recurrent issues. The categories of recurrent issues are shown in Table 1. As some recommendations related to multiple categories, the total number of recommendations per category (119) exceeds the number of recommendations raised (75). In addition, one recommendation related to a control weakness specific to one operation and was therefore not considered a recurring issue.

Table 1
Distribution of recommendations raised between 1 January 2015 and 31 December 2017 per recurrent issue

Recurrent issue category	Number of recommendations per recurrent issue category	Percentage of occurrence of recurrent recommendations
Poor quality of monitoring and failure to verify accuracy of reported performance data	49	41%
Inability to take timely corrective action due to weak performance monitoring	29	24%
Lack of a Multi-Functional Team approach to programme monitoring	21	18%
Not setting relevant indicators and targets to monitor against	15	13%
Weak monitoring over multi-year strategic objectives	5	4%
Total		**100%**

Poor quality of monitoring and failure to verify accuracy of reported performance data

15.   Field operations cannot effectively monitor programme delivery without accurate information. Therefore, controls are needed to verify the accuracy of data collected and reported by Multi-Functional Teams (MFTs), partners and any third-party monitors. The Programme Manual states that "collected data must be validated in order to ensure quality and accuracy" and that "UNHCR has an obligation to check the accuracy" of information submitted by partners. Further, UNHCR also needs to monitor whether activities are completed to the required quality standard.

16.   In 36 audits, OIOS identified weaknesses in the adequacy of controls to ensure accuracy of monitoring data and the quality of completed activities. Forty-nine recommendations were made in these audits relating to such weaknesses, and some of the recommendations concerned multiple weaknesses. In 19 instances, field operations failed to verify reported partner performance against agreed project targets during monitoring visits, meaning that reported information was entered directly into Focus at mid-year and year-end without adequate verification. In 15 instances, field operations did not obtain adequate evidence that reported assistance such as non-food item distributions or cash-based interventions took place, and in a further 13 instances, insufficient technical review was done to ensure reported activities in areas such as shelter, water and sanitation, or livelihoods met required quality standards. In three instances, OIOS identified missing or inconsistent figures reported in Focus, and in a further three instances there were

insufficient efforts made to mitigate risks arising from remote monitoring due to high security risks and inability to undertake physical monitoring.

17.   The lack of adequate monitoring in these 36 field operations raised doubt as to whether the results reported in Focus at mid-year and year-end against impact and performance indicators were reliable   These control weaknesses could adversely affect persons of concern and present reputational risks for UNHCR if the assistance was not delivered as intended.

Inability to take timely corrective action due to weak performance monitoring

18.   The Programme Manual explains that monitoring helps "improve results for UNHCR's persons of concern by generating the evidence required for programming decisions - both to adjust on-going programming and to design it for the future."   The Manual adds that monitoring "takes places on a continuous basis throughout the year, conducted by partners and UNHCR, both individually and jointly." Therefore, if monitoring is not done in a timely manner, it will not be possible for field operations to respond to the issues raised during the monitoring process and to take necessary corrective actions.

19.   In 25 audits, OIOS identified weaknesses in controls to ensure monitoring was done in a timely manner, and made 29 recommendations related to the lack of timeliness of monitoring. In 19 instances, this related to the lack of timely monitoring of activities directly implemented by UNHCR as well as those implemented through partners. This was because there was either a lack of monitoring plans or inadequate monitoring plans were in place setting out what monitoring would be done, by whom and when to enable timely corrective action.   Seven instances related specifically to the monitoring of construction projects where the failure to monitor progress at key stages resulted in deficiencies not being detected until at a time when the cost to correct them were significantly higher. Three instances related to untimely monitoring of specific projects and conditions in camps. As a result, in these 25 field operations UNHCR identified weaknesses leading to detrimental impact on the well-being of persons of concern long after it should have done. Subsequently, corrective action was delayed or no longer possible.

Inconsistent application of the Multi-Functional Team approach to programme monitoring

20.   To effectively plan, monitor and report on programme activities, it is essential to use a multi-functional approach to ensure that the necessary skills, knowledge and functional expertise is involved at each stage.   The Programme Manual identifies the MFT as one of five key approaches to programme management in UNHCR. It states that participation in the team should include at least one colleague from Protection and Programme and additional functions should be included depending on the operational context.   The UNHCR administrative instructions on Reporting on 2017, Implementing in 2018 and Planning for 2019 add that Representatives must ensure the full involvement of the MFT in all phases of the operations management cycle from assessment and planning to implementation, monitoring and reporting.

21.   In 21 audits, OIOS identified a weakness in the functioning of the MFT. In almost all these cases, the multi-functional Implementing Partnership Management Committee (IPMC) had been established for planning and partner selection. However, in 18 instances, no MFT was established for monitoring. In a further three instances MFTs were established but did not include key functions such as Programme or relevant technical specialists. As a result, monitoring conducted by UNHCR in these operations failed to identify multiple weaknesses, such as costly delays in construction projects, poorly managed partner procurement, and failure to follow-up on partner audit results and recover tens of thousands of dollars. More critically, the lack of multi-functional monitoring was partially responsible for multiple objectives not being met in the operations in question.

Not setting relevant indicators and targets to monitor against

22.   To effectively plan, UNHCR field operations are required to develop a results chain consisting of goals, objectives (measured by impact indicators) and outputs (measured by performance indicators) to address the needs identified by the operation at the assessment stage of the operations management cycle. Relevant indicators should be selected from the results framework and targets specified for them. The results framework for Project Partnership Agreements (PPAs) and other forms of agreements with partners, as well as for direct implementation should be aligned with the overall operations plan. The results chain for each operation should be created in Focus in alignment with UNHCR's results framework.

23.   In 10 audits, OIOS identified one or more weaknesses over the setting of relevant indicators and targets. Fifteen recommendations were raised on these issues. In four instances, technical indicators for shelter or livelihoods programmes were not established to allow overall indicators to be calculated accurately. In three instances, some key priorities identified in the operations plan did not have relevant indicators. In a further three instances, targets were not set for relevant indicators in the PPAs. In two instances, unrealistic targets in the operations plan were not adjusted at mid-year. The remaining three recommendations concerned indicators for inter-agency projects and long-term goals. Because of the weaknesses in these 10 field operations, staff responsible for monitoring did not have specific, measurable timebound and achievable targets against which to measure and report performance.

Weak monitoring over multi-year strategic objectives

24.   As part of developing operations plans, the Programme Manual requires field operations to develop a "multi-year protection and solutions strategy, with a vision of what the operation expects to achieve over the coming years, including targets." Although there are no formal requirements to measure and report on progress towards these multi-year targets, doing so is essential if field operations wish to effectively manage their progress towards achieving them.

25.   In five audits, OIOS identified weaknesses in monitoring of progress towards multi-year objectives. In all five instances, regional strategic, multi-year priorities had been established without success criteria being defined and intermediate milestones being developed. As a result, in these regional operations, UNHCR was unable to determine whether it had achieved its strategic objectives and whether progress at the activity level was adequate.

IV.   RESULTS OF THE ROOT CAUSE ANALYSIS

26.   OIOS identified a number of intermediate causes at the institutional level for the five recurring categories of issues discussed above. Through further root cause analysis OIOS, in close cooperation with UNHCR, identified three cross-cutting underlying root causes for these intermediate causes. As each of the three root causes in part explains the recurring issues in all five categories, they are addressed separately below rather than being covered under any one category. In addition, OIOS identified two other issues relevant to only one category each.

Cross-cutting root causes

There was a critical need to enforce compliance with existing requirements for monitoring activities

27.   Since 2015 UNHCR has strengthened requirements for developing monitoring plans. The Programme Manual, issued in October 2015, requires: (a) all operations to develop an Impact Monitoring Plan at the overall programme level, specifying data sources, collection methods, frequency and validation

methods, as well as who is responsible for the validation; and (b) operations to establish a Monitoring Plan for each Partnership Agreement (whilst encouraging the development of monitoring plans for direct implementation as well). The administrative instructions for implementation in 2017 and 2018 stressed that Impact Monitoring Plans and Partnership Agreement Monitoring Plans are mandatory.

28.   The requirements of the Programme Manual are well designed, but field operations are not systematically following them. This is the main root cause for the lack of, or poor quality monitoring plans developed and implemented by field operations. The administrative instructions require the Programme Analysis and Support Section of DPSM to monitor compliance by field operations with monitoring requirements for programmatic areas. Independently IPMS had developed controls to assess partnership management in high risk operations. This included verifying whether monitoring plans for Partnership Agreements were developed and executed by field operations through a "Monitoring of Compliance with the Framework for Implementation with Partners Policy" exercise conducted in 2017, the results of which IPMS had shared with the Bureaux. These controls, however were ad-hoc and in OIOS' view, there was an opportunity for IPMS to increase its overall monitoring by verifying field operations monitoring plans on an ongoing basis. With regards to Impact Monitoring Plans for the overall operation, including direct implementation, there were no procedures at headquarters to detect and correct non-compliance with the requirements to develop and execute an approved, multi-functional Impact Monitoring Plan. Further, apart from some ad-hoc requests for assistance from field operations to DPSM, UNHCR had not implemented a process, or assigned the related responsibility, to quality assure the Impact Monitoring Plans and to support field operations in developing plans to assess performance against impact indicators with a reasonable level of confidence.

29.   There were also no standard criteria for the level of capacity needed for monitoring activities in field operations. Instead, they were required to take a risk-based approach to determine the appropriate level of monitoring in their context through development of the Impact Monitoring Plan. In the absence of such plans being consistently developed, OIOS noted substantial variation in the level and quality of physical and other forms of monitoring in different field operations.

30.   Examples identified by OIOS where lax controls over impact monitoring resulted in mismanagement, pervasive weaknesses and possible fraud included: (i) a significant livelihoods programme, which only delivered 10 per cent of the planned activities despite UNHCR paying the full amount; (ii) delays, additional costs, poor quality and unused construction projects across multiple operations, including one operation where over 3,000 shelters were built at a cost of $3.5 million without UNHCR monitoring their quality; (iii) failure to take action in response to a camp hosting over 16,000 refugees that did not meet minimum standards for sanitation, health, and a number of other areas; and (iv) millions of dollars of items distributed across multiple operations with no evidence that they reached the beneficiaries, including one operation where OIOS found that assistance considered delivered, and announced in an official UNHCR press release, never occurred.

31.   In the absence of controls at headquarters to collect and quality assure Impact Monitoring Plans developed by field operations, UNHCR lacked information on whether quality Impact Monitoring Plans were in place and executed. Management at headquarters was therefore unable to take steps to correct non-compliance with monitoring planning requirements. This led to poor quality monitoring and significant doubts over the reliability and accuracy of reported performance against impact indicators in more than half of the field operations audited by OIOS. This was a critical institution wide weakness.

> **(1) The UNHCR Assistant High Commissioner (Operations) should assign responsibilities at UNHCR headquarters to support field operations in impact monitoring by: (a) confirming that each field operation has developed an Impact Monitoring Plan approved by the Representative in addition to project level performance monitoring plans; (b) implementing**

> **measures to assess the quality of monitoring plans in determining actual performance against targets; and (c) monitoring the execution of these plans.**
>
> *UNHCR accepted recommendation 1 and stated that it was revising its RBM approach, including the results framework and related processes and tools. Responsibilities at headquarters and in the field for monitoring would be adjusted and re-aligned in light of the upcoming reforms and regionalization/decentralization of UNHCR's organizational structures and processes.* Recommendation 1 remains open pending submission to OIOS of evidence that: (a) responsibilities for supporting field in developing and executing quality Impact Monitoring Plans are allocated at headquarters; and (b) compliance levels with existing requirements for developing Impact Monitoring Plans are tracked and non-compliance in specific operations is followed up on.

There was a need to develop an overall monitoring approach

32.   The second cross-cutting root cause identified relates to the fragmented nature of monitoring within UNHCR. Currently there is only one position in UNHCR dedicated to overall monitoring, although there are multiple other actors involved in setting standards and developing tools for monitoring in specific sectors like shelter, livelihoods and health. In the opinion of OIOS, this fragmented approach to monitoring is an underlying root cause of several intermediate causes across all categories of the recurring issues identified. These intermediate causes were: lack of clarity by some over what monitoring is and what it is for; fragmented data systems and tools which reduce efficiency; the lack of priority assigned to monitoring in the field; monitoring in silos; a weak culture of monitoring; and a lack of awareness of senior management in the field of the need for quality monitoring.

33.   If UNHCR had a consolidated, overall approach to monitoring, the duplications, redundancies and inconsistencies in monitoring and reporting of results could be reduced. Such an approach could ensure that systems and tools developed for monitoring are interoperable, reducing data redundancy whilst still allowing specific sectors to collect certain monitoring information. Within DPSM, a central unit could coordinate the monitoring and approach and tools across the multiple sectors. However, the Bureaux and Divisions would also need to be involved in developing and implementing this approach.

> **(2) The UNHCR Division of Programme Support and Management, in coordination with the Bureaux and Divisions, should: (a) conduct a review of all existing monitoring tools, systems, approaches and frameworks; and (b) based on this review develop an overall coordinated approach to monitoring while ensuring the existence of consistent and streamlined guidance, tools, information systems, learning programmes and reporting mechanisms.**
>
> *UNHCR accepted recommendation 2 and stated that DPSM would review current systems and monitoring practices. This review would inform the development of an overall approach to monitoring linked to the revised RBM system considering experiences and lessons learnt from existing monitoring initiatives and UNHCR's strategic directions and change processes. The new monitoring approach would be implemented as part of ongoing change processes.* Recommendation 2 remains open pending submission to OIOS of a planned overall coordinated approach for monitoring covering guidance, tools, information systems, learning programmes and reporting mechanisms, which is informed by a comprehensive review of existing tools, systems, approaches and frameworks.

Accountability of the Multi-Functional Team required strengthening

34.   The third cross-cutting root cause identified by this review relates to the inconsistent effectiveness of the multi-functional team in field operations. Although this was a category of recurrent issue itself,

through the review OIOS concluded that weak MFTs also drove many of the other categories, particularly the failure to verify the accuracy of performance data and to undertake monitoring in a timely fashion. In the opinion of OIOS, weak accountability of the multi-functional team is an underlying root cause of a number of intermediate causes across all categories of the recurring issues identified. These intermediate causes were: monitoring not prioritized by senior management in the field; the roles and responsibilities for monitoring not being clear; no consistency in having the right people with the right skills conducting monitoring; and the lack of a monitoring culture.

35.   As noted above, in multiple field operations, either the MFT was not in place, or it was not functioning as intended. This occurred because membership of the team was not always clearly assigned and accountabilities at the individual level were not clear, particularly with regards to monitoring. According to the Programme Manual, the Representative is responsible for ensuring that an MFT approach is followed during the monitoring process. The most senior Programme colleague in a UNHCR office is responsible for initiating, developing and implementing the operation's Impact Monitoring Plan, in collaboration with the MFT. No other individual posts are assigned responsibility for the MFT. Instead Protection, Project Control, Supply and technical specialist functions, but not specific post holders, are expected to participate in the development and implementation of the Impact Monitoring Plan.

36.   Although OIOS does not necessarily advocate formalizing the MFT in the same manner as the IPMC, UNHCR indicated that some operations extended the remit of the IPMC to cover monitoring and that this was a good practice. OIOS identified an opportunity for improvement for UNHCR to encourage this practice more widely. Regardless of the role of the IPMC, OIOS was of the view that to strengthen accountability for monitoring, core members of the MFT should be formally designated, potentially through the Impact Monitoring Plan, and monitoring responsibilities should be reflected in the work objectives of their electronic Performance Appraisal Document.

37.   As there is no fixed membership of the MFT which is centrally recorded, OIOS was unable to select a sample of MFT members to test whether participation in multi-functional monitoring was included in their performance objectives. However, OIOS review of standard job descriptions found that they made no reference to the MFT. Further, OIOS review of advertised vacancies for 11 profiles that would normally be expected to be part of the MFT such as Programme Officers, Protection Officers, and various technical specialists noted that only 4 of these profiles made any reference to the MFT and only one, for Project Control Officers, specifically referred to a responsibility to monitor in collaboration with the MFT. In addition, standard job descriptions for Representatives, Deputy Representatives and Chiefs of Mission did not refer to their responsibility to ensure that an MFT approach is applied to all stages of the operations management cycle. OIOS concluded that the importance of the MFTs was not universally recognized by Representatives and Heads of Office in the field.

> **(3) The UNHCR Division of Human Resources, in coordination with the Division of Programme Support and Management, should: (a) update standard job descriptions for Representatives and Chiefs of Mission to specify their responsibility for ensuring a Multi-Functional Team approach is employed at all stages of the operations management cycle; (b) ensure that participation in the Multi-Functional Team, as required, for monitoring is included in the appropriate standard job descriptions; and (c) issue instructions to supervising officers reminding them of the need to reflect participation in Multi-Functional Teams in the performance objectives of electronic Performance Appraisal Documents of relevant staff.**
>
> *UNHCR accepted recommendation 3 and stated that the Division of Human Resources (DHR) was working to standardize all job descriptions and the MFT approach would be reflected where relevant. DHR would issue a guidance note to supervisors along with instructions on the need to reflect participation in MFTs in the electronic Performance Appraisal Document objectives of*

relevant staff. Recommendation 3 remains open pending submission to OIOS of: (a) revised standard job descriptions for relevant roles incorporating references to the monitoring and the MFT approach as appropriate; and (b) instructions issued to supervising officers concerning the need to reflect participation in the MFT in the performance objectives of relevant staff.

(4) The UNHCR Assistant High Commissioner (Operations) should formally communicate to Representatives and Heads of Offices in the field operations that they are responsible for ensuring the effective functioning of the Multi-Functional Teams.

UNHCR accepted recommendation 4 and stated that the Assistant High Commissioner (Operations) formally communicates every year the annual programming instructions on reporting, implementation and planning where Representatives and Directors are requested to define MFT roles and responsibilities in ensuring their full involvement in management of operations. Recommendation 4 remains open pending submission to OIOS of formal communication from the Assistant High Commissioner (Operations) to Representatives and Heads of Office concerning their responsibilities for ensuring the effective functioning of the MFT.

Specific root causes

There was a need to align planned performance through direct implementation and partners with the overall operations plan to facilitate consistent and effective monitoring

38. The first root cause related to one specific issue identified by this review concerns the failure to consistently set relevant indicators and targets. OIOS found that the control framework related to many aspects of this issue had been strengthened since 2015. Through the Annual Programme Review, spot checks by IPMS, and support from technical units, controls were in place at headquarters that should detect and correct most weaknesses related to the setting of indicators and targets. OIOS anticipates that by implementing recommendation 2 of this review and developing an overall approach to monitoring, these controls should be further strengthened. However, the weakness concerning the alignment between the operations plan and the sum of all projects implemented through partners and direct implementation activities was currently not systematically addressed by existing institution level controls.

39. Analysis conducted by DPSM in three operations indicated that the following weaknesses occurred regularly: a) performance indicators in the operations plan that were not in the results frameworks of relevant projects implemented through partners and vice-versa; b) budgets and outputs in the results frameworks of partners that were not in the operations plan; and c) performance indicator target values across all relevant direct and partner projects that did not equal the target value in the operations plan. Where these inconsistencies occurred, programme monitoring against the overall operations plan was significantly complicated. OIOS agreed with the assessment of DPSM that this situation arose because of inconsistent and disparate planning and reporting tools provided by headquarters. The operations plan is generated through Focus but the results frameworks for Partnership Agreements and other agreements with partners are developed manually using templates. There is no consistent control at the field or headquarters to verify whether the indicators and targets in the operations plans are properly reflected in the total sum of projects implemented through partners and direct implementation.

40. One potential solution to this weakness identified during this review is to develop an automated system for generating the results frameworks of agreements with partners and direct implementation plans. This system would be linked to Focus (or its potential future replacement) and would therefore be able to flag inconsistencies between the operations plan and planned implementation through partners and directly. Such an automated system would be an effective control to ensure that planned implementation is aligned with the operations plan. However, given the potential costs and risks involved in developing such a system,

OIOS does not specifically recommend this course of action. UNHCR needs to introduce controls in this area but the decision as to whether this is done through an automated system, manual checks, or some combination of the two, is a management decision for UNHCR to take. In introducing these controls, UNHCR should however consider short-term measures to detect and correct existing discrepancies as well as longer term measures which could prevent such discrepancies arising in the first place.

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(5) The UNHCR Division of Programme Support and Management, in coordination with the Implementing Partnership Management Service, should develop controls to ensure that the indicator and target values in the operations plan of each field operation are properly reflected across the sum of all planned indicators of all projects implemented through partners and all direct implementation.

UNHCR accepted recommendation 5 and stated that inconsistencies were expected to be addressed by checking the conformity of indicators in Project Partnership Agreements against the operations plans. This feature would be included in the current Quality Assurance checklist. Staff would also be trained to be mindful when selecting the indicators. Creating automated online links would also be explored and tested. Recommendation 5 remains open pending submission to OIOS of evidence that controls have been introduced to ensure systematic alignment of indicator target values in operations plans with all planned projects implemented through partners and all direct implementation.

<u>UNHCR could further elaborate the Multi-Year Multi-Partner Protection and Solutions Approach</u>

41.   The second specific area identified by this review relates to the monitoring of multi-year goals. UNHCR has strengthened corporate level controls in this area since 2015, mainly through the roll out of the Multi-Year Multi-Partner (MYMP) Protection and Solutions Approach. The objective of MYMP is to build a multi-year perspective to the planning and budgetary process to support delivering solutions and working with development actors. MYMP plans should cover a period of three to five years. As of 2017, 22 operations had rolled out MYMP. OIOS considered that the design of the MYMP planning tools, which include impact indicators with baseline data and intermediate milestone targets, and guidance notes, would strengthen planning and reporting for multi-year objectives. However, OIOS review of the existing guidance and templates indicated that little attention was given to monitoring. OIOS therefore suggested to UNHCR to establish requirements and guidance over the monitoring of MYMP plans already before the approach is adopted by all operations, which UNHCR agreed to consider.

V.   ACKNOWLEDGEMENT

42.   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

**Review of recurrent issues in programme monitoring in past internal audit reports at 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 Assistant High Commissioner (Operations) should assign responsibilities at UNHCR headquarters to support field operations in impact monitoring by: (a) confirming that each field operation has developed an Impact Monitoring Plan approved by the Representative in addition to project level performance monitoring plans; (b) implementing measures to assess the quality of monitoring plans in determining actual performance against targets; and (c) monitoring the execution of these plans.	Critical	O	Submission to OIOS of evidence that: (a) responsibilities for supporting field in developing and executing quality Impact Monitoring Plans are allocated at headquarters; and (b) compliance levels with existing requirements for developing Impact Monitoring Plans are tracked and non-compliance in specific operations is followed up on.	31 December 2020
2	The UNHCR Division of Programme Support and Management, in coordination with the Bureaux and Divisions, should: (a) conduct a review of all existing monitoring tools, systems, approaches and frameworks; and (b) based on this review develop an overall coordinated approach to monitoring while ensuring the existence of consistent and streamlined guidance, tools, information systems, learning programmes and reporting mechanisms.	Important	O	Submission to OIOS of a planned overall coordinated approach for monitoring covering guidance, tools, information systems, learning programmes and reporting mechanisms which is informed by a comprehensive review of existing tools, systems, approaches and frameworks.	31 January 2021
3	The UNHCR Division of Human Resources, in coordination with the Division of Programme Support and Management, should: (a) update standard job descriptions for Representatives and Chiefs of Mission to specify their responsibility for ensuring a Multi-Functional Team approach is	Important	O	Submission to OIOS of: (a) revised standard job descriptions for relevant roles incorporating references to the monitoring and the Multi-Functional Team as appropriate; and (b) instructions issued to supervising officers concerning the need to reflect participation in	31 December 2019

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[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

**Review of recurrent issues in programme monitoring in past internal audit reports at 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]
	employed at all stages of the operations management cycle; (b) ensure that participation in the Multi-Functional Team, as required, for monitoring is included in the appropriate standard job descriptions; and (c) issue instructions to supervising officers reminding them of the need to reflect participation in Multi-Functional Teams in the performance objectives of electronic Performance Appraisal Documents of relevant staff.			MFTs in the performance objectives of relevant staff.	
4	The UNHCR Assistant High Commissioner (Operations) should formally communicate to Representatives and Heads of Offices in the field operations that they are responsible for ensuring the effective functioning of the Multi-Functional Teams.	Important	O	Submission to OIOS of formal communication from the Assistant High Commissioner (Operations) to Representatives and Heads of Office concerning their responsibilities for ensuring the effective functioning of MFTs.	31 December 2018
5	The UNHCR Division of Programme Support and Management, in coordination with the Implementing Partnership Management Service, should develop controls to ensure that the indicator and target values in the operations plan of each field operation are properly reflected across the sum of all planned indicators of all projects implemented through partners and all direct implementation.	Important	O	Submission to OIOS of evidence that controls have been introduced to ensure systematic alignment of indicator target values in operations plans with all planned projects implemented through partners and all direct implementation.	31 January 2021

APPENDIX I

Management Response

Management Response

**Review of recurrent issues in programme monitoring in past internal audit reports at 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 (to be published)
1	The UNHCR Assistant High Commissioner (Operations) (AHC-O) should assign responsibilities at UNHCR headquarters to support field operations in impact monitoring by: (a) confirming that each field operation has developed an Impact Monitoring Plan approved by the Representative in addition to project level performance monitoring plans; (b) implementing measures to assess the quality of monitoring plans in determining actual performance against targets; and (c) monitoring the execution of these plans.	Critical	Yes	AHC-O /DPSM	December 2020	As stipulated in the UNHCR Programme Manual (Part II section 5.6), each field operation is required to develop an Impact Monitoring Plan formally approved by the Representative to monitor implementation and impact of set objectives. Each operation is also provided guidance on how to develop and implement monitoring plans. UNHCR is currently revising its Results Based Management (RBM) approach including results framework, related processes and the associated IT tools. The new approach should provide further efficiencies for monitoring by country offices. The responsibilities at UNHCR HQ and in the field, for the implementation of this recommendation, will be adjusted and re-aligned in light of the upcoming reforms and regionalization/decentralization of UNHCR organizational structures and processes. DPSM will coordinate accordingly with the Change Management, Bureaux/Regional Entities and Divisions.

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[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

**Review of recurrent issues in programme monitoring in past internal audit reports at 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 (to be published)
2	The UNHCR Division of Programme Support and Management, in coordination with the Bureaux and Divisions, should: (a) conduct a review of all existing monitoring tools, systems, approaches and frameworks; and (b) based on this review develop an overall coordinated approach to monitoring while ensuring the existence of consistent and streamlined guidance, tools, information systems, learning programmes and reporting mechanisms.	Important	Yes	Director, DPSM	January 2021	Based on preliminary initiatives on monitoring reviews, DPSM will undertake a review of current systems and monitoring practices. This review will help to inform the development of an overall approach to monitoring of UNHCR that will link to UNHCRs revised RBM system and take into account experiences and lessons learnt from existing monitoring initiatives (including sectoral, activity tracking etc.) as well as UNHCR's strategic directions and change processes. To ensure coherence and consistency, the new monitoring approach (guidance, tools, learning programmes etc.) will be implemented as part of ongoing change processes (RBM revision, decentralization, etc.)
3	The UNHCR Division of Human Resources, in coordination with the Division of Programme Support and Management, should: (a) update standard job descriptions for Representatives and Chiefs of Mission to specify their responsibility for ensuring a Multi-Functional Team approach is employed at all stages of the operations management cycle; (b) ensure that participation in the Multi-Functional Team, as required,	Important	Yes	Deputy Director of DHR	End of 2019	As part of the "Knowing our Jobs and our People" project, DHR is working with Divisions, entities and Bureaus to standardize all job descriptions. DHR will meet with the Division of Programme Support and Management over the next few months to review all Job Descriptions and revise them to become standard. Representative and Chiefs of Missions' Job Descriptions will be included in this review and the Multi-Functional team approach in the Operations' management cycle and in monitoring will be reflected where relevant. DHR will issue a guidance note to supervising officers along with instructions on the need to reflect participation in Multi-

Management Response

**Review of recurrent issues in programme monitoring in past internal audit reports at 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 (to be published)
	for monitoring is included in the appropriate standard job descriptions; and (c) issue instructions to supervising officers reminding them of the need to reflect participation in Multi-Functional Teams in the performance objectives of electronic Performance Appraisal Documents of relevant staff.					Functional Teams (MFT) in the e-PAD objectives of relevant staff.
4	The UNHCR Assistant High Commissioner (Operations) should formally communicate to Representatives and Heads of Offices in the field operations that they are responsible for ensuring the effective functioning of the Multi-Functional Teams.	Important	Yes	AHC-O	December every year	AHC-O formally communicates every year the annual programming instructions on reporting, implementation and planning where Representatives and Directors are requested to define MFT roles and responsibilities in ensuring their full involvement in effective management of operations. In addition, since 2016 DPSM and DIP in coordination with the Global Learning Centre deliver an annual cohort - Programming for Protection (P4P) - that aims to reinforce the role of the MFT in operations.
5	The UNHCR Division of Programme Support and Management, in coordination with the Implementing Partnership Management Service, should develop controls to ensure that the indicator and target values in the operations plan of each field operation are	Important	Yes	Head of Service, IPS/ DPSM	January 2021	Currently, most of the partnership processes are carried out manually and each project is set up separately, posing some inconsistencies and errors. Expected results/indicators of each project agreement and directly implemented activities, will be linked with the operation plan of each country office to ensure coherency through digitalization and using innovative

Management Response

**Review of recurrent issues in programme monitoring in past internal audit reports at 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 (to be published)
	properly reflected across the sum of all planned indicators of all projects implemented through partners and all direct implementation.					technology to manage data and results, in efficient and correct manner. The above inconsistencies are expected to be addressed by checking the conformity of indicators in PPAs against the operations plans. This feature will be included in the current Quality Assurance checklist that is required to be performed before the agreement is signed (becomes mandatory). Staff will also be trained to be mindful when selecting the indicators. Creating automated online links will also be explored and tested.