



INTERNAL AUDIT DIVISION

REPORT 2018/152

Audit of the Regional Representation for Western Europe for the Office of the United Nations High Commissioner for Refugees

**There was need to address control
deficiencies in regional coordination and
oversight, protection management,
recruitment of affiliate workforce,
partnership management, and procurement
and vendor management**

**31 December 2018
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Audit of the Regional Representation for Western Europe for the Office of the United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the Regional Representation for Western Europe (RRWE) for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether RRWE was managing and overseeing the delivery of services to persons of concern in the region in a cost-effective manner and in compliance with UNHCR's policy requirements. The audit covered the following activities in RRWE, including the seven country operations under its purview, during the period from 1 January 2017 to 30 April 2018: (a) regional functions, including coordination, support and oversight to country operations in the region; (b) fair protection process and documentation; (c) security from violence and exploitation; (d) partnership management; (e) recruitment and use of affiliate workforce; and (f) procurement and vendor management.

There was a need to strengthen: regional coordination, support and oversight mechanisms; asylum procedures and protection of data of persons of concern; advocacy for and monitoring of protection risks faced by children and survivors of sexual and gender-based violence (SGBV); compliance with UNHCR rules on affiliate workforce; management supervision arrangements of partnerships; and procurement and vendor management activities.

OIOS made seven recommendations. To address issues identified in the audit, the UNHCR Regional Representation for European Union Affairs, under whose coverage RRWE falls, needed to:

- Clarify, in consultation with the Bureau for Europe and taking into account the ongoing regionalization process at UNHCR, the role, authority, responsibilities and accountability delegated to RRWE;
- Integrate risk management into strategic and operational planning processes; monitor and report on region-wide indicators; and strengthen the clearance process of reports for publication;
- Implement standard operating procedures on protection of data of persons of concern; and develop and implement an action plan to ensure adequate monitoring of asylum procedures and reception centres;
- Develop a regional advocacy action plan on key protection risks faced by children and SGBV survivors, and measures to secure unrestricted access to detention centres in the region;
- Conduct a cost-benefit analysis on the deployment of affiliate staff; and ensure that all operations comply with UNHCR rules on affiliate workforce;
- Strengthen controls over retention of partners and timely signing of Project Partnership Agreements; and recover the outstanding project funds from another United Nations Agency; and
- Ensure comprehensive annual procurements plans are developed in a timely manner; and establish a Vendor Review Committee.

UNHCR accepted the recommendations and has initiated action to implement them; however, it accepted recommendations 4, 5 and 7 partially. For recommendation 4, OIOS reiterates that UNHCR needs to establish a regional advocacy strategy and formalize guarantees of access to detention centers in national authorities in countries where such access is not already formalized to ensure effective monitoring and predictable reporting on children-at-risk. Regarding recommendation 5, OIOS believes that establishing adequate controls over recruitment of affiliated workforce is essential to enhance accountability and transparency. Regarding recommendation 7, the RRWE needs to ensure that comprehensive annual procurements plans are developed in a timely manner.

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Audit of the Regional Representation for Western Europe 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 Regional Representation for Western Europe for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. The UNHCR Office in Brussels, Belgium was established in 1952. It was upgraded to a Regional Representation for Western Europe (RRWE) in 2009 covering UNHCR activities in Belgium and Luxembourg, three Branch Offices in Germany, France (covering also Monaco) and the United Kingdom; three National Offices in Austria, Ireland and the Netherlands; and one Liaison Office in Switzerland (for Switzerland and Liechtenstein). The mandate of RRWE was to carry out coordination, support and oversight to ensure adequate protection to persons of concern in these 11 countries.

3. In December 2017, RRWE was further restructured, and became part of a new entity called the Regional Representation for European Union Affairs (RREUA). The overall objective of the restructuring was to reinforce the existing capacity of UNHCR in Brussels to build a strong, outward-facing, unified and visible office that engages with and advocates towards the European Union institutions and members states' missions at a higher political and strategic level. The post of the Regional Representative in RRWE was converted into the accredited senior UNHCR official with the European Union at the D-1 level, with the formal supervision of three entities based in Brussels: Policy and Legal Support Unit (PLUS); Global Issues European Union Unit (GIEU); and RRWE. After 1 January 2018, France (also covering Monaco), Germany and the United Kingdom became stand-alone operations with the upgrade of the Representative positions in these operations from the P-5 to the D-1 level reporting to the Director of the Bureau for Europe at UNHCR headquarters in Geneva.

4. In the new structure, the Deputy Regional Representative for Western Europe and the Heads of PLUS and GIEU each at the P-5 level reported directly to the Regional Representative for European Union Affairs. The Heads of PLUS and GIEU also maintained a functional reporting line to relevant entities at headquarters such as Protection in the Bureau for Europe and the Donor Relations and Resource Mobilisation Service of the Division of External Relations. The Deputy Regional Representative for Western Europe in Brussels as the Head of RRWE was delegated the direct responsibility for daily management of the remaining seven countries in the region (Austria, Belgium also covering Luxembourg, Ireland, the Netherlands; and Switzerland also covering Liechtenstein).

5. This audit covered activities pertaining to the seven country operations (i.e., excluding France covering also Monaco, Germany and the United Kingdom) which were under the purview of RRWE for the period from 1 January 2017 to 30 April 2018. During this period, the RRWE strategy focused on the following regional priority areas: (a) maintaining and improving access to territory and asylum procedures, including strengthening sexual and gender-based violence (SGBV) prevention and response, and ensuring protection of unaccompanied and separated children (UASC) and adequate reception conditions; (b) increasing legal pathways, including family reunification; and (c) strengthening integration of persons of concern and eradicating statelessness.

6. RRWE had a total of 66 established posts: 24 international professional staff and 42 general service staff members in the seven countries under its purview. It had total expenditure of \$8.9 million in 2017 and spent \$3.9 million in 2018 (as of 30 April) against a budget of \$12.4 million. To implement its projects in the seven countries, RRWE worked with nine partners that incurred total expenditure of \$1.1 million in

2017. By the time of the audit in July 2018, it had signed five Project Partnership Agreements (PPAs) for 2018.

7. Comments provided by the Regional Representation are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess whether the RRWE was managing and overseeing the delivery of services to persons of concern in the region in a cost-effective manner and in compliance with UNHCR's policy requirements.

9. The audit was included in the 2018 risk-based work plan of OIOS because of the risks related to the political and operational complexity in supporting and facilitating durable solutions for refugees, asylum-seekers and stateless persons in the region.

10. OIOS conducted this audit from June to September 2018. Based on an activity-level risk assessment, the audit covered the following activities in RRWE, including the seven country operations under its purview, during the period from 1 January 2017 to 30 April 2018: (a) regional functions, including coordination, support and oversight to country operations in the region; (b) fair protection process and documentation; (c) security from violence and exploitation; (d) partnership management; (e) recruitment and use of affiliate workforce; and (f) procurement and vendor management. The audit did not cover the activities of the two other entities (PLUS and GIEU) under RREUA.

11. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of 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) review of data extracted from proGres version 4, the UNHCR registration and case management system; (e) sample testing of controls using stratified sampling techniques; (f) visits to the RREUA/RRWE office in Belgium, National Offices in Austria and the Netherlands, and offices of two partners implementing UNHCR projects in Belgium; and (g) field visits to two reception centres in Belgium and one in Austria, and one detention centre in Belgium and in Austria.

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

III. AUDIT RESULTS

A. Regional coordination, support and oversight

There was a need to clarify the role, authority, responsibilities and accountability delegated to RRWE and develop a risk-based plan for regional support missions

13. To deliver coherent responses that meet the needs of persons of concern, it is essential for RRWE to: (a) clarify the level of engagement and distinction of its role and authority vis-a-vis the country operations under its coverage; (b) establish an organizational structure in line with the context, capacity and strategic objectives of the country operations in the region; (c) prepare an integrated regional work plan, while clarifying its role in support, coordination and oversight for each regional function; and (e) justify its missions to the countries in the region by preparing terms of reference and a travel budget for each mission.

14. RRWE provided coordination, support and oversight to the country offices through support missions, training and workshops, e-mail and telephone communication, and analysis of data in MSRP and Focus. OIOS review indicated the need for further improvement regarding the adequacy and effectiveness of these functions, as follows:

- In the period leading to transition to the new structure (July to December 2017) and the four months of the transition covered by this audit (January to April 2018), the level of engagement and the distinction of the role and authority of the Deputy Regional Representative for Western Europe were not clearly aligned with the operational context and strategic objectives of the regional operations plan for 2018. For example, from January to April 2018, the Deputy Regional Representative was head of RRWE and responsible for daily management of the seven country operations under RRWE; yet did not have accreditation to these countries. Moreover, the Acting Regional Representative for European Union Affairs was also not accredited to the countries under RRWE's purview. This dual structural arrangement potentially risked creating confusion and conflicts in assignment of delegated responsibilities and authorities, both internally and externally, given that the nomenclature used for the title of the Deputy Regional Representative for Western Europe was perceived to refer to an independent entity of the RRWE other than an entity under RREUA.
- RRWE staff on regional posts carried out direct partnership management responsibilities in all seven country operations in the region. They also undertook supply, administration and finance activities on behalf of the country offices in Belgium and the Netherlands. In accordance with the existing UNHCR Policy on Regionalization, regional positions should be dedicated 75 per cent to activities that are of regional nature. However, RRWE had not assessed how much time its regional staff were spending on direct operational or administrative activities in or on behalf of individual country operations.
- Although RRWE staff carried out monitoring visits and prepared mission reports for all missions undertaken to the country operations, these missions were not undertaken based on an annual risk-based mission plan. The missions also lacked formal terms of reference. Also, RRWE did not have an integrated regional workplan for the regional functions.

15. As a result of the above-mentioned shortcomings, which OIOS attributed to lack of clarity on the roles and responsibilities in the leadership structure and weaknesses in management oversight, RRWE was exposed to the risk of not providing effective strategic guidance, technical support and oversight to the country operations in the region.

(1) The UNHCR Regional Representation for European Union Affairs, in consultation with the Bureau for Europe and taking into account the ongoing regionalization process at UNHCR, should: (a) clarify the role, authority, responsibilities and accountability as regards the oversight of the operations in Western Europe; and (b) develop a risk-based plan for support missions to operations in the region.

UNHCR accepted recommendation 1 and stated that: (a) RREAU would seek further clarity on the roles, responsibilities and structure of the Regional Representation, which would be designed in line with the future role of Regional Offices globally yet to be fully clarified in the UNHCR Regionalization transformation process; and (b) a risk-based plan for support missions to operation would be developed. Recommendation 1 remains open pending receipt of: (a) evidence of results of the actions taken to clarify the role, authority, responsibilities and accountability of the Regional Representation; and (b) the finalized risk-based mission plan and evidence of its implementation.

RRWE needed to strengthen its risk management processes, regional programme monitoring and report clearance processes

16. In order to achieve its regional goals, the UNHCR Programme Manual requires the RRWE to develop a strategic plan for the regional operations, based on a needs assessment and containing goals and objectives and defining the required outputs, activities and budgets for the achievement of such goals and objectives; and to monitor the operations planning process of the country operations reporting to it. The regional strategic planning process should be aligned with UNHCR's global strategic priorities and be informed by timely and reliable data on the population of concern and both participatory and comprehensive needs assessments considering age and gender diversity issues.

17. RRWE developed its regional protection and solution strategy in line with UNHCR's Strategic Directions for 2017-2021, the Bureau for Europe's Strategic Directions for 2017-2019, and a discussion paper on "The Way Forward to Strengthened Policies and Practices for Unaccompanied and Separated Children in Europe". However, OIOS observed that there was a need to improve the regional monitoring arrangements in the following areas:

- RRWE had identified and prioritised two risks ("unfavourable political context" and "absence of UNHCR voice") in its risk register and assessed them as having a medium likelihood to cause a major impact. Both of these risks required RRWE to design strategic measures to counter negative messages in the region, in order to achieve its strategic goal for "advocacy for protection and solutions" for 2017 and 2018. However, in April 2018 the regional post in communication, media and public information were removed from RRWE to RREUA, but appropriate risk mitigation measures were not established, and recorded in the risk register, to address the apparent gaps created. OIOS also did not see any evidence that these two priority risks were actively monitored at the management level, as required by UNHCR's Policy on Enterprise Risk Management.
- RRWE used Focus to capture and monitor performance and impact indicators, baselines and targets for 2017 and 2018. It reported on 10 country-specific population groupings for different caseloads in the country operations. However, the indicators reported at the Regional Population Planning Group level were not sufficiently measurable and useful. For example, under the indicator "Extent reception conditions meet minimum standards", the results were recorded as the averages reported by the individual operations as opposed to the actual cumulative indicator figures across the entire region. In OIOS opinion, these regional indicators reported in Focus were not useful to users of these reports and there was a high likelihood of misrepresentation of the results.
- In order to provide adequate protection interventions to persons of concern, RRWE included in the regional operations plan for 2017 an activity to conduct research studies either directly or through consultants and partners. OIOS review of the clearance process of such reports for publication indicated that it sometimes took several months to obtain the final approval, making their relevance for decision-making questionable. RRWE explained that this was due to the involvement of several UNHCR entities both at the regional level and at headquarters. For example, at the time of the audit in July 2018, a report on "an overview of challenges in the family reunification procedure with refugees in the Netherlands" completed in June 2017 had still not been cleared for publication by the Bureau for Europe. OIOS considered this to reflect a weakness in the existing controls over programme monitoring.

18. The above-mentioned shortcomings were attributed to insufficient integration of the risk management processes into RRWE's operations management cycle, design weaknesses in Focus, and lack of a clear framework to guide regional programme monitoring. Whilst the audit was ongoing, RRWE initiated action to streamline the clearance process of reports for publication.

(2) The UNHCR Regional Representation for European Union Affairs should: (a) integrate risk management into its strategic and operational planning and decision-making processes; (b) adequately monitor and report on region-wide indicators; and (c) develop a framework to guide the clearance process of reports for publication.

UNHCR accepted recommendation 2 and stated that:(a) all UNHCR staff in the region, were requested to take the online course on risk management. An update of the current regional risk register was in progress, along with the creation of individual country risk registers;(b) RREUA and its country offices would continue to monitor and report on its indicators at country level. and review submissions and changes to risk register by individual country operations; and (c) RREUA would finalize and implement procedures for clearance of reports, subject to clearance by the Bureau for Europe. Recommendation 2 remains open pending receipt of: (a) evidence of the conduct of a risk assessment and integration of the identified risks into the operations plan; (b) evidence of effective monitoring of region-wide indicators; and (c) finalized procedures for clearance of reports and evidence of their implementation.

B. Fair protection process and documentation

There was a need to strengthen monitoring over asylum procedures and protection of data of persons of concern

19. In order to provide persons of concern with access to effective, confidential and timely reception, registration and refugee status determination (RSD) processes, it is essential to: (a) monitor suitably located reception conditions to ensure that they are maintained appropriately; (b) develop and implement standard operating procedures governing the registration, reception and documentation ensuring confidentiality and respect for the applicable international legal standards; and (c) actively monitor the timeliness of these processes and take steps to address any bottlenecks or delays. These requirements are promulgated in the UNHCR Protection Manual.

20. The country operations under the purview of RRWE did not manage any reception centres but conducted ad-hoc monitoring visits to reception centres managed by the respective national governments. The country operations also did not conduct the registration of persons of concern; however, they processed personal data of persons of concern on request. In 2017, RRWE deployed proGres version 4 in all seven country operations and developed draft regional standard operating procedures for data protection aligned with UNHCR's global data protection policy. OIOS observed that the country operations were at various stages of adapting the procedures for their country context.

21. OIOS review of the adequacy of the arrangements over fair protection process and documentation indicated the need for RRWE to make further improvements in the following areas:

- [REDACTED]
- [REDACTED]

- Although RRWE had guided the country operations in the development of context specific monitoring tools for reception centres, it did not ensure that the monitoring exercises were risk-based and conducted by multi-functional teams, as required by UNHCR Programme Manual. There was also no established mechanism in place for remotely monitoring the increasing number of persons of concern from Venezuela arriving and seeking asylum in an overseas territory (BES islands) of the Netherlands which also came under RRWE's purview.
- In Belgium and Austria, RRWE was monitoring the Government's RSD procedures through different types of quality projects. However, in the Netherlands, the National Office had conducted a quality assurance project with the immigration authorities initiated in 2017 and completed in April 2018 and planned meetings with the immigration authorities to discuss the possibility of undertaking a new quality project in 2018 and beyond. Nonetheless, the Office had not established mechanisms to conduct quality assurance over the status determination process.

(3) The UNHCR Regional Representation for European Union Affairs should: (a) revise and implement the standard operating procedures on protection of data of persons of concern; and (b) develop and implement a predictable and feasible action plan to ensure adequate monitoring of asylum procedures and reception centres in the region.

UNHCR accepted recommendation 3 and stated that RREUA would: (a) revise its standard operating procedures on data protection and monitor the implementation thereafter subject to availability of resources; (b) establish predictable and implementable risk-based plans to ensure adequate monitoring of the functioning asylum system as well as reception facilities, as feasible considering the existing staffing capacity at regional and national level and subject to agreement of national authorities. Recommendation 3 remains open pending receipt of: (a) revised standard operating procedures for data protection and evidence of their implementation and monitoring; and (b) evidence of predictable and implementable risk-based plans established to ensure adequate monitoring of the functioning asylum system and reception facilities, including in respect of the overseas territory of BES islands.

C. Security from violence and exploitation

There was a need to further strengthen advocacy for and monitoring of protection risks faced by children and survivors of sexual and gender-based violence

22. RRWE is required to design and develop activities aimed at preventing, responding to, and monitoring sexual and gender-based violence (SGBV) of persons of concern, and sign agreements with host governments and advocate for appropriate legislation that enshrines respect for fundamental rights of refugees and asylum-seekers.

23. In 2017 and 2018, RRWE prioritized the strategic objective of advocating for strengthened child protection systems and improving reception conditions and procedures. To implement activities related to security from violence and exploitation, it spent \$276,866 in 2017 and budgeted \$803,247 for 2018. It secured 1 million Euros (about \$1.2 million) from the European Union to strengthen policies and practice for unaccompanied and separated children in Western Europe. It also implemented an education project to strengthen UNHCR's outreach to schools and encourage the integration of refugee children in host communities.

24. Nonetheless, OIOS review of strategic regional and country documents and mission reports, and discussion with RRWE staff on the adequacy of the arrangements and response to SGBV indicated a need to improve in the following areas:

- In Belgium, although the Office had engaged national authorities to adopt the UNHCR standard operating procedures on SGBV in reception centres, as a response to identify SGBV survivors and persons with specific needs, it was yet to fully implement the procedures. In the Netherlands, the National Office had not finalised formal arrangements with the host government to ensure UNHCR access to and adequate monitoring of detention centres, while in Belgium and Luxembourg, access to these centres had been secured through legislation and practice.
- RRWE had recognized inadequate conditions for children in certain reception and detention centres and lack of best interest assessment/determination procedures. It had also developed a draft report with recommendations on the standards of reception and alternative care arrangements for children in country operations involved in the European Union project mentioned above. However, it did not conduct systematic monitoring activities to adequately document and report on the risks children faced, in order to instigate appropriate solutions by the respective governments.
- RRWE had implemented various actions identified in the European Union project that was scheduled to end in 2019. It had not yet identified donors, however, this should not prevent the continuation of child protection activities in 2019 and beyond, as child protection was a key priority generally prioritized within the regular budget.

25. The above shortcomings happened because of lack of capacity at the regional and national level to effectively engage national authorities and conduct monitoring activities at detention and reception centres. As a result, RRWE was exposed to the risk of failure to ensure a safe and secure environment for persons of concern.

(4) The UNHCR Regional Representation for European Union Affairs should develop: (a) multi-year advocacy projects for the identification of and response to specific needs of children; (b) a regional advocacy action plan to ensure regular monitoring and reporting on key protection risks faced by children and survivors of sexual and gender-based violence; and (c) measures to secure unrestricted access to detention centres in the region.

UNHCR partially accepted recommendation 4 and stated that: (a) RREUA would develop a multi-annual advocacy project on ensuring that child protection systems at national level were both accessible and appropriate to UASC, and asylum/migration authorities respected the principle of the best interest of the child through implementation of protection safeguards; (b) regarding SGBV, RREUA would develop a regional advocacy strategy and national offices would develop action plans to ensure national authorities adopt and implement standard operating procedures operationalizing the four main referral pathways for survivors, subject to the availability of resources; regarding children, monitoring activities for UASC in particular would be mainstreamed in the regional advocacy strategy with a focus on ensuring non-discriminatory access to child protection services including quality care arrangements; (c) RREUA would seek formal guarantees of access to detention centers from national authorities in countries under the purview of RRWE where such access was not already formalized through legal provisions or written agreement. However, the implementation of these actions would be subject to the availability of resources and agreement by the relevant national authorities. OIOS reiterates that UNHCR needs to establish a regional advocacy strategy accompanied by a risk-based action plan to ensure effective monitoring and predictable reporting on children-at-risk. In addition, OIOS believes that by establishing formal guarantees of access to detention centers from national authorities in countries where such access is not already formalized through legal provisions or written agreement, UNHCR would ensure a safe

and secure environment for persons of concern. Recommendation 4 remains open pending receipt of: (a) the finalized regional advocacy plan on child protection; (b) the finalized regional risk-based advocacy monitoring action plan to ensure regular monitoring and reporting on key protection risks faced by children and evidence of its implementation, and standard operating procedures for prevention and response to SGBV and a plan of action to ensure national authorities adopt and implement the standard operating procedures; and (c) a plan of action to formalize guarantees of access to detention centers from national authorities in countries under RRWE's purview, and evidence of its implementation.

D. Recruitment and use of affiliate workforce

There was a need to ensure compliance with UNHCR rules over affiliate workforce

26. In accordance with UNHCR rules on affiliate workforce, RRWE should: (a) conduct a cost benefit analysis of engaging affiliate staff, including in terms of the time and financial and human resources required for training and supervising them; and (b) ensure appropriate balance in workforce composition.

27. OIOS reviewed the process of selection and approval of 10 individual contracts (consultants and contractors) hired in the region during 2017 and 2018. This review identified the following control deficiencies:

- In four cases, RRWE did not conduct a competitive selection process for recruitment of individual consultants although it documented in each case the justification for the waiver from competitive selection. However, none of the justifications demonstrated that the selected candidate was the only available person for the service and with unique expertise. For example, in the Liaison Office in Switzerland, the decision to hire a contractor was reached by the hiring manager before initiating the hiring process as OIOS observed that the terms of reference were amended to fit the specific profile of the selected candidate.
- RRWE did not ensure that the mandatory breaks-in-service were observed for consultancy contracts. Three of the 10 cases reviewed had exceeded the limit of 11 consecutive months, and one case exceeded the limit of 24 months of full-time work in a 36-month period whereby the consultant was engaged for five years without a break in contravention with UNHCR requirements.
- RRWE did not carry out a cost-benefit analysis before considering the extensive use of affiliate staff.
- RRWE hired an international consultant to be based in Belgium to monitor developments and protection standards, procedures and practices in protection delivery in Luxembourg. However, RRWE explained that for operational reasons the consultant relocated to Luxembourg and RRWE maintained the consultant on the same terms of service related to the duty station in Belgium. In OIOS opinion, this exposed RRWE to potential contractual liabilities in case of a breach of contract or any other risk occurrence. Whilst the audit was ongoing RRWE created a post at G-6 level in Brussels to replace the international consultant and remedy this problem.

28. The cited shortcomings were attributed to insufficient management oversight over compliance with the rules and procedures for affiliate workforce. This exposed RRWE to the risk of recruiting incompetent staff to deliver its work and lack of cost effectiveness in deploying affiliate workforce.

(5) The UNHCR Regional Representation for European Union Affairs should conduct a comprehensive cost-benefit analysis on the deployment of affiliate staff and ensure that operations under its purview comply with UNHCR rules on affiliate workforce.

UNHCR partially accepted recommendation 5 and stated that RREUA had conducted a cost-benefit analysis. RREUA had also sent two memoranda requesting country offices as well as the Heads of RREUA units to comply with the recruitment procedures for affiliate workforce. It also planned to work on the full implementation of established procedures at regional and country office levels. OIOS reiterates that establishing adequate controls over recruitment of affiliated workforce is essential to enhance accountability and transparency. Recommendation 5 remains open pending receipt of evidence of monitoring the compliance with UNHCR rules on affiliate workforce in the region.

E. Partnership management

RRWE needed to strengthen management supervision and risk management arrangements over partnerships

29. In order to achieve expected programme and project results through the use of partners, it is essential to: (a) select or retain partners through a process that demonstrates objectivity, transparency, consistency and timeliness; (b) sign project agreements with partners before commencement of the project year and transfer project instalments in a timely manner; (c) monitor the project activities through a risk-based and multi-functional approach; and (d) arrange for building capacity of implementing partners as and when necessary. These requirements are also promulgated in the UNHCR Enhanced Framework for Implementing with Partners.

30. RRWE entered into nine PPAs in 2017 with a total expenditure of \$1.2 million and by the time of the audit in July 2018, it had signed five Project Partnership Agreements (PPAs) for 2018. It had constituted an Implementing Partnership Management Committee (IPMC) for managing partnerships in countries under its purview. OIOS review of the project monitoring arrangements indicated the following areas in need of strengthening:

- Whilst RRWE, through the IPMC, conducted a competitive and transparent partner selection exercise for the 2017 programme cycle, it did not provide documented evidence to substantiate a claim that it conducted desk reviews of the performance of five partners retained for 2018, as required. As a consequence, it was exposed to the risk of working with partners that were not fit to deliver its projects.
- RRWE did not prepare and sign PPAs in a timely manner. On average, the PPAs were signed six months into the project year, i.e. halfway through the implementation period. OIOS visits and discussions with three partners indicated that the partners used other donors' funds to carry out UNHCR projects without a written commitment from RRWE. The delays increased the risk of not achieving the set programme objectives.
- RRWE selected a partner to implement a project for \$220,000 for which some project activities were implemented in two countries (Greece and Italy) outside RRWE's purview. This arrangement exposed RRWE to uncoordinated project control risks as it was not clear as to who was accountable for the project management, monitoring and reporting amongst the three entities (RRWE, UNHCR Representation in Greece, and UNHCR Regional Office in Italy).
- RRWE had a receivable of \$162,155 from a United Nations Agency, which it explained was due to exchange rate differences and difficulties in reporting in multiple currencies in the project financial reports. OIOS was of the view that it was due to lack of proper and timely reconciliations and needed to be recovered promptly.

31. The cited control weaknesses were mainly due to lack of sufficient management supervision to ensure compliance with UNHCR rules on partnership management and effective management of risks inherent in implementing through partners.

(6) The UNHCR Regional Representation for European Union Affairs should: (a) develop an action plan to strengthen controls over retention of partners and timely signing of Project Partnership Agreements; and (b) recover the outstanding project funds from the United Nations Agency.

UNHCR accepted recommendation 6 and stated that: (a) RREUA had developed a draft action plan to strengthen controls over retention of partners and to guide offices in the timely signing of partnership agreements; (b) RREUA was in discussions with UNHCR headquarters on the technical issues involved in clearing the outstanding project funds from the United Nations Agency. Recommendation 6 remains open pending receipt of: (a) evidence of timely signing of PPAs for 2019; and (b) evidence of resolution of the issue of outstanding project funds from the United Nations Agency.

F. Procurement and vendor management

There was a need to strengthen controls over procurement and vendor management activities

32. In order to procure goods and services required for effective operations in a timely, efficient and cost-effective manner, it is essential to: (a) prepare an annual procurement plan according to identified needs; (b) establish an effective vendor management system; (c) initiate timely procurement activities in accordance with the procurement plan; and (d) ensure adequate oversight over the procurement activities by establishing a Regional Committee on Contracts (RCC) or Local Committee on Contracts (LCC). These requirements are also promulgated in Chapter 8 of the UNHCR Manual and various administrative instructions on procurement and vendor management.

33. RRWE issued 159 purchase orders to procure goods and services amounting to \$2.6 million between 1 January 2017 and 30 April 2018. It established a RCC whose composition was regularly reviewed. The RCC covered all offices and units of UNHCR located in Brussels, including the Private Sector Partnership Unit for Europe located in the Netherlands and the country offices under its purview that did not have an LCC of their own. The RCC convened eight meetings in 2017 and one in 2018. OIOS noted that most (above 75 per cent) of the members of the RCC had been trained on UNHCR rules and procedures on committees on contracts.

34. OIOS review of the vendor management and procurement activities, including a review of 30 purchase orders totalling \$494,985 indicated the following control deficiencies:

- RRWE did not prepare a procurement plan for 2017. Although it did prepare a procurement plan for 2018, it was incomplete and not reflective of the operational circumstances. For example, the 2018 plan only included procurement pertaining to the administrative budget for Belgium and did not include needs identified from all the other countries in the region. Moreover, as at mid-July 2018, the 2018 plan had not been approved.
- A Vendor Review Committee had not been established to review the vendor registration process, remove inactive vendors, and update vendor information in the vendor database.
- For three procurement contracts involving a total of \$152,978 during 2017 and 2018, RRWE did not conduct a formal solicitation process and did not obtain a waiver of competitive bidding to justify non-competitive procurement.

35. These shortcomings were mainly attributed to lack of sufficient supply capacity in the region as a whole (neither RRWE nor the country operations had a dedicated supply officer), and inadequate management supervision over procurement and vendor management activities. As a result, RRWE was exposed to the risk of financial loss and inability to achieve value for money from procurement.

(7) The UNHCR Regional Representation for European Union Affairs should strengthen control arrangements over procurement and vendor management by: (a) assessing the procurement capacity in the region based on operational needs and putting in place a plan to enhance it where deemed necessary; (b) ensuring comprehensive annual procurements plans are developed in a timely manner; and (c) establishing a Vendor Review Committee.

UNHCR partially accepted recommendation 7 and stated that: (a) RREUA had provided evidence of the successful completion of the procurement process for the vendors in issue and had initiated and finalized the information and communication technology procurement; (b) Procurement Plan for 2019 would be provided in January 2019; and (c) Vendor Committee had been created on 27 September 2018. Recommendation 7 remains open pending receipt of the approved procurement plan for 2019.

IV. ACKNOWLEDGEMENT

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

(Signed) Eleanor T. Burns
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STATUS OF AUDIT RECOMMENDATIONS

**Audit of the Regional Representation for Western Europe 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 Regional Representation for European Union Affairs, in consultation with the Bureau for Europe and taking into account the ongoing regionalization process at UNHCR, should: (a) clarify the role, authority, responsibilities and accountability as regards the oversight of the operations in Western Europe; and (b) develop a risk-based plan for support missions to operations in the region.	Important	O	Submission to OIOS of evidence of: (a) results of the actions taken to clarify the role, authority, responsibilities and accountability of the Regional Representation; and (b) the finalized risk-based mission plan and evidence of its implementation.	30 June 2019
2	The UNHCR Regional Representation for European Union Affairs should: (a) integrate risk management into its strategic and operational planning and decision-making processes; (b) adequately monitor and report on region-wide indicators; and (c) develop a framework to guide the clearance process of reports for publication.	Important	O	Submission to OIOS of evidence of: (a) the conduct of a risk assessment and integration of the identified risks into the operations plan; (b) evidence of effective monitoring of region-wide indicators; and (c) finalized procedures for clearance of reports and evidence of their implementation.	31 July 2019.
3	The UNHCR Regional Representation for European Union Affairs should: (a) revise and implement the standard operating procedures on protection of data of persons of concern; and (b) develop and implement a predictable and feasible action action plan to ensure adequate monitoring of asylum procedures and reception centres in the region.	Important	O	Submission to OIOS of evidence of: (a) revised standard operating procedures for ██████████ and evidence of their implementation and monitoring; and (b) evidence of predictable and implementable risk-based plans established to ensure adequate monitoring of the functioning asylum system and reception facilities, including in respect of the overseas territory of BES islands.	30 June 2019
4	The UNHCR Regional Representation for European Union Affairs should develop: (a) multi-year advocacy projects for the identification of and response to	Important	O	Submission to OIOS of evidence of: (a) the finalized regional advocacy plan on child protection; (b) the finalized regional risk-based	30 June 2019

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 Regional Representation for Western Europe for the
Office of the United Nations High Commissioner for Refugees**

Rec. no.	Recommendation	Critical/ Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	specific needs of children; (b) a regional advocacy action plan to ensure regular monitoring and reporting on key protection risks faced by children and survivors of sexual and gender-based violence; and (c) measures to secure unrestricted access to detention centres in the region.			advocacy monitoring action plan to ensure regular monitoring and reporting on key protection risks faced by children and evidence of its implementation, and standard operating procedures for prevention and response to SGBV and a plan of action to ensure national authorities adopt and implement the standard operating procedures; and (c) a plan of action to formalize guarantees of access to detention centers from national authorities in countries under RRWE's purview, and evidence of its implementation.	
5	The UNHCR Regional Representation for European Union Affairs should conduct a comprehensive cost-benefit analysis on the deployment of affiliate staff and ensure that operations under its purview comply with UNHCR rules on affiliate workforce.	Important	O	Submission to OIOS of evidence of monitoring the compliance with UNHCR rules on affiliate workforce in the region.	31 March 2019
6	The UNHCR Regional Representation for European Union Affairs should: (a) develop an action plan to strengthen controls over retention of partners and timely signing of Project Partnership Agreements; and (b) recover the outstanding project funds from the United Nations Agency.	Important	O	Submission to OIOS of evidence of: (a) timely signing of PPAs for 2019; and (b) resolution of the issue of outstanding project funds from the United Nations Agency.	31 March 2019
7	The UNHCR Regional Representation for European Union Affairs should strengthen control arrangements over procurement and vendor management by: (a) assessing the procurement capacity in the region based on operational needs and putting in place a plan to enhance it where deemed necessary; (b) ensuring comprehensive annual procurements plans are developed in a timely manner; and (c) establishing a Vendor Review Committee.	Important	O	Submission to OIOS of evidence of the approved procurement plan for 2019.	31 March 2019

APPENDIX I

Management Response

Management Response

Audit of the Regional Representation for Western Europe for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments (to be published)
1	The UNHCR Regional Representation for European Union Affairs, in consultation with the Bureau for Europe and taking into account the ongoing regionalization process at UNHCR, should: (a) clarify the role, authority, responsibilities and accountability as regards the oversight of the operations in Western Europe; and (b) develop a risk-based plan for support missions to operations in the region.	Important	(a) Yes	(a) RREUA Regional Representative & RBE	June 2019	(a) Given the future “regionalization” and the recent re-structuring of Brussels Regional Representation, further clarity on the roles, responsibilities and structure will be sought and designed. As the future role of Regional Offices globally is yet to be fully clarified, as per current accreditation practice worldwide, only the Regional Representative is accredited in the countries under regional coverage where there is no accredited Representative. It should also be noted that Deputy Representatives or Deputy Regional Representatives are never accredited; accreditation is requested for and granted only to Representatives and Regional Representatives.
			(b) Yes	(b) Regional Administrative Officer	March 2019	(b) A risk-based plan for support missions to operation will be developed
2	The UNHCR Regional Representation for European Union Affairs should: (a) integrate risk management into its strategic and operational planning and decision-making processes; (b) adequately monitor and report on region-wide indicators; and (c) develop a framework to guide the	Important	(a) Yes	(a) Regional Representative & RREUA Focal point	March 2019	(a) All UNHCR staff in the region, have been requested to take the online course on risk management. An update of the current regional risk register is in progress, along with the creation of individual country risk registers.
			(b) Yes	(b) Regional Programme Officer	July 2019	(b) RREUA and its country offices monitor and report on its indicators at country level. Regional indicators are entered as averages

⁵ 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.

⁶ 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.

Rec. no.	Recommendation	Critical⁵/ Important₆	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments (to be published)
	clearance process of reports for publication.		(c) Yes	(c) Regional Protection Officer	(c) 31 March 2019 subject to clearance by RBE	due to the technical constraints of the budgeting system, and because regional indicators do not always include all countries or units in the region. (c) RREUA will finalize and implement procedures for clearance of reports, subject to clearance by the Bureau for Europe.
3	The UNHCR Regional Representation for European Union Affairs should: (a) revise and implement the standard operating procedures on protection of data of persons of concern; and (b) develop and implement a predictable and feasible action plan to ensure adequate monitoring of asylum procedures and reception centres in the region.	Important	(a) Yes (b) Yes	(a) Regional Protection Officer (b) Regional Protection Officers	(a) 31 March 2019 (b) June 2019	(a) RREUA will revise its standard operating procedures on data protection and monitor their implementation thereafter subject to availability of resources; (b) RREUA will establish predictable and implementable risk-based plans to ensure adequate monitoring of the functioning asylum system as well as reception facilities, as feasible considering the existing staffing capacity at regional and national level and subject to agreement of national authorities, hence this is subject to the availability of resources.
4	The UNHCR Regional Representation for European Union Affairs should develop: (a) multi-year advocacy projects for the identification of and response to specific needs of children; (b) a regional advocacy action plan to ensure regular monitoring and reporting on key protection risks faced by children and survivors of sexual and gender-based violence; and (c) measures to secure	Important	(a) Yes (b) partially	(a) Regional Child Protection Officer and Regional Programme Officer (b) Reg. Child Protection Officer & Regional	(a) 31 March 2019 (b) 30 June 2019	(a) The RREUA will develop a multi-annual advocacy project on ensuring that, firstly, child protection systems at national level are both accessible and appropriate to UASC, and secondly, Asylum/migration authorities respect the Principle of the best interest of the child through implementation of protection safeguards, subject to the availability of resources (b) Regarding SGBV, RREUA will develop a regional advocacy strategy and national offices will develop action plans to ensure

Rec. no.	Recommendation	Critical ⁵ / Important ₆	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments (to be published)
	unrestricted access to detention centres in the region.		(c) Partially accepted	Protection Officer & Protection staff in country offices (c) Regional protection Officer & Heads of concerned Offices	(c) 30 June 2019	national authorities adopt and implement standard operating procedures operationalizing the four main referral pathways for survivors, subject to the availability of resources; Regarding children, monitoring activities for UASC in particular will be mainstreamed in the regional advocacy strategy with a focus on ensuring non-discriminatory access to child protection services including quality care arrangements. (c) RREUA will seek formal guarantees of access to detention centers from national authorities in countries under the purview of RRWE where such access is not already formalized through legal provisions or written agreement. The plan would be risk based and not undermine UNHCR's operation. However, the implementation of these actions will be subject to the availability of resources and agreement by the relevant national authorities.
5	The UNHCR Regional Representation for European Union Affairs should conduct a comprehensive cost-benefit analysis on the deployment of affiliate staff and ensure that operations under its purview comply with UNHCR rules on affiliate workforce.	Important	Partially accepted	Regional Administrative Officer	March 2019	The cost benefit analysis was done and is in the auditors' folder in eSafe. It remains now to work on the full implementation of established procedures at regional and country office levels; to this aim a document will be issued to reinforce the content of the memorandum previously issued asking RRWE Heads of offices and RREUA Heads of unit to follow procedures; This memorandum was shared on eSafe as evidence.

