



INTERNAL AUDIT DIVISION

REPORT 2019/103

**Audit of the emergency response in
Chad for the Office of the
United Nations High Commissioner for
Refugees**

**There was a need to address critical
deficiencies in controls over cash-based
interventions and fuel management**

**08 November 2019
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Audit of the emergency response in Chad 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 emergency response in Chad for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether UNHCR was responding to the emergencies in Chad in a cost-effective manner and in accordance with UNHCR's policy requirements, with due regard to the risks that it was exposed to in the context in which it was operating. The audit covered the period from 1 January 2017 to 31 December 2018 and included review of: emergency preparedness and response; child protection and education; health; cash-based interventions (CBI); durable solutions; and supply management. Through review of the above-mentioned areas, OIOS also drew overall conclusions about partnership management, control environment, and enterprise risk management.

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

- Collaborate with the Regional Bureau for West Africa and Central Africa to institute mechanisms for monitoring active emergencies in the region and ensure adequate support is given to countries responding to future emergencies;
- Implement appropriate monitoring arrangements over provision of shelter and core relief items;
- Strengthen the quality of the delivery of health services to persons of concern by developing a strategy and standard operating procedures (SOPs) to direct the provision of services, as well as a plan to mitigate the risks related to the management of medicines and the referral process;
- Strengthen its management oversight over the delivery of: (i) child protection activities by completing the development of related SOPs; and (ii) education services by updating its education strategy and SOPs to direct and guide the implementation of related programs;
- Strengthen its management oversight over durable solutions by: (i) filling vacant livelihoods positions, developing SOPs and strengthening the monitoring of partners to ensure effective implementation of livelihoods programmes; (ii) developing a reintegration strategy informed by a situation assessment; and (iii) implementing controls to ensure accurate information is recorded in Focus;
- Undertake a comprehensive review of the CBI programme to ensure the programme remains relevant in addressing protection risks and safeguarding available resources and update its current strategy and related SOPs accordingly; **(critical)**
- In collaboration with the Regional Bureau for West Africa and Central Africa, develop and implement an action plan to: (i) strengthen controls in fuel management including but not limited to ensuring fuel receipts are reconciled, appropriate actions are taken on confirmed variances, and all purchased fuel is accounted for; and (ii) strengthen the structure and staffing of the supply function; **(critical)**
- Strengthen oversight over partnership management by developing an action plan that addresses weaknesses identified in selection and retention of partners, development of agreements and monitoring of project implementation; and
- Strengthen its control environment by: (i) reviewing its structure, staffing and allocation of roles and responsibilities to reinforce accountability; (ii) developing an action plan to implement recommendations of various expert missions; and (iii) reviewing the risk register and putting in place an action plan to integrate risk management into operational management and decision making.

UNHCR accepted the recommendations. It took prompt action to implement five of them and had initiated action to implement the four other recommendations.

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Audit of the emergency response in Chad 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 emergency response in Chad for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The UNHCR Representation in Chad (hereinafter referred to as “the Representation”) was established in 2000. The Representation was responding to two emergencies in recent years, related to persons of concern (PoCs) fleeing neighboring countries. Between January and March 2018, a total of 27,647 persons from the Central African Republic (CAR) fled the conflict in their home country to Chad prompting UNHCR to declare a Level 2 emergency. UNHCR had earlier declared a Level 1 emergency following the arrival of Nigerian refugees in Chad in October 2014. In February 2015, this was subsequently elevated to a Level 2 emergency. As of January 2019, the number of Nigerian refugees was 14,894. The total number of refugees in the country at the time of the audit was estimated at 461,118. In addition, there were 129,010 internally displaced persons and returnees.
3. The Representation’s total expenditure was \$75.3 million and \$76.0 million in 2017 and 2018, respectively. The Representation’s expenditure through implementing partners was \$32.3 million in 2017 and \$30.4 million in 2018. This accounted for 66 and 63 per cent of the total programme expenditure of \$48.9 million in 2017 and \$48.3 million in 2018 respectively.
4. The Representation was headed by a Representative at a D-1 level. It had a Country Office in N’Djamena and 12 Field Offices including three Sub-Offices in Iriba, Farchana and Gore. The Representation had 383 staff positions including 63 international posts, 32 national officer posts, and 288 general service posts.
5. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess whether the UNHCR Representation Chad was responding to the emergencies in the country in a cost-effective manner and in accordance with UNHCR’s policy requirements, with due regard to the risks that it was exposed to in the context in which it was operating.
7. This audit was included in the 2019 risk-based work plan of OIOS due to the risks related to and challenges associated with the Representation’s operational capacity to deal with more than one emergency.
8. OIOS conducted this audit from February and June 2019. The audit covered the period from 1 January 2017 to 31 December 2018. Based on an activity-level risk assessment, the audit covered higher risk areas pertaining to the operations in Chad, which included: (i) emergency preparedness and response; (ii) child protection and education; (iii) health; (iv) cash-based interventions (CBI); (v) durable solutions; and (vi) supply management. Through review of the above-mentioned areas, OIOS also drew overall conclusions about partnership management, control environment, and enterprise risk management (ERM) in the Representation.
9. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical reviews of data, including financial data from Managing for Systems,

Resources and People (MSRP), the UNHCR enterprise resource planning system, and performance data from Focus, the UNHCR results-based management system; (d) sample testing of controls; (e) visits to UNHCR offices N'Djamena, Farchana and Gore, five partner offices and five project sites; and (f) interaction with a sample of beneficiaries.

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

III. AUDIT RESULTS

A. Emergency preparedness and response

There was a need for the Representation to strengthen its management of core relief items and for the Regional Bureau for West Africa and Central Africa to strengthen emergency coordination

11. With respect to the Nigerian emergency (Level 2), the Representation stated that did not receive any communication from the Division of Emergency, Security and Supply (DESS), the Bureau for Africa or the Regional Representation in West Africa about the activation of the Level 1 emergency in October 2014 and its elevation to Level 2 five months later. The Representation was therefore unaware of its role and responsibilities, which raised questions about the effectiveness of coordination mechanisms at UNHCR. OIOS also questioned whether activation of a Level 2 emergency was necessary in February 2015 given that the Representation indicated that it had enough capacity at that time to respond to the influx and did not need the increased support that a Level 2 emergency provided.

12. There was also no evidence that the Representation's capacity to respond to this emergency was reassessed between October 2014 and March 2019, when the Level 2 emergency was deactivated. For instance, the Joint Senior Level Mission and the Real-Time Review aimed at assessing the timeliness, appropriateness and effectiveness of the response were not conducted.

13. For the CAR emergency, the increase of registered refugees (first level registration) in February 2018 to 27,647 PoCs prompted the activation of a Level 2 emergency for the CAR situation in March 2018. This number was reduced to 21,539 following the Representation's second level registration in March 2018. The emergency was officially deactivated in March 2019. An up-to-date contingency plan guided the response to this influx, with additional human and financial resources deployed in a timely manner. However, the Representation had not reconciled the core relief items (CRIs) issued, those distributed to PoCs, and the balances held in its warehouses, which indicated that it was unable to fully account for them. Also, apart from mosquito nets and soap, the Representation did not have enough CRIs to respond effectively to the CAR influx. This could have been at least partially addressed by better planning and coordination since significant CRIs shortages were reported in Gore, yet other offices held excess CRIs for up to eight years. For example, Gore had insufficient tarpaulins during the influx but Farchana had been holding 2,397 tarpaulins for over three years.

14. The Representation had a shelter strategy and standard operating procedures (SOPs) that guided its programme implementation during the emergency. It provided temporary shelters at the onset of the emergency and progressively replaced these with semi-durable shelters. However, despite having a dedicated shelter engineer on site, many semi-permanent shelters constructed by the community did not meet specifications. For example, they did not have basic security features like windows, doors and roofing increasing risk of sexual and gender-based violence. There were also inconsistencies in reports on the number of shelters constructed, with the Focus system reflecting 810 shelters whereas camp records showed only 776.

15. Contrary to the 2017 UNHCR Policy on Emergency Preparedness and Response, a Joint Senior Level Mission was also not undertaken for the CAR emergency. Following the Real-Time review of this emergency in September 2018, the Director of the Bureau for Africa recommended in December 2018 that the emergency be deactivated, but this was only done in March 2019. Timely deactivation of emergency declarations in situations where exceptional capacity and resource support are no longer required is important so that resources can be redirected to where they are more urgently required.

- (1) The UNHCR Regional Bureau for West Africa and Central Africa should institute mechanisms for monitoring active emergencies in the region and ensure that adequate support is given to countries responding to future emergencies.**

UNHCR accepted recommendation 1 and stated that DESS had revised its Policy on Emergency Preparedness and Response, aligned it with the Inter-Agency Standing Committee emergency-related protocol, and improved clarity on criteria for declaration and response emergencies. These updates together with the commitment of the Bureau to improve on internal communication would go a long way in addressing the loopholes observed in the Nigerian situation. Based on the documentary evidence and assurances received from the Representation, recommendation 1 has been recorded as implemented.

- (2) The UNHCR Representation in Chad should implement appropriate monitoring arrangements over provision of core relief items and shelter to ensure proper accountability over their distribution.**

UNHCR accepted recommendation 2 and stated that SOPs for CRIs were developed, templates updated, and reconciliations prepared for CRIs distributed to PoCs. Based on the documentary evidence and assurances received from the Representation, recommendation 2 has been recorded as implemented.

B. Health

The Representation needed to develop a strategy to strengthen the delivery of health services

16. The Representation spent \$15.7 million on health-related activities in the period under audit. It did not have a health strategy and SOPs to guide the delivery of health services to PoCs. Instead, it had a concept note that was not comprehensive in providing strategic direction on planned programme activities. For example, the concept note did not mention how the Memorandum of Understanding signed in December 2018 between the Representation and the Ministry of Health under the Comprehensive Refugee Response Framework would be operationalized. A health strategy was needed to show how key health objectives would be met considering the country context, i.e.: (i) the transitioning from parallel to national health system for the older caseload; (ii) identifying the support that was required to address well known structural weaknesses in the national system; and (iii) the prioritization of needs in a resource constrained environment.

17. The health facilities managed by the Representation's partners faced several challenges which impacted their ability to provide health services to PoCs in accordance with required standards. These challenges included being under-equipped and under-staffed, as well as frequent stock outs of anti-malarial drugs, condoms and antibiotics which sometimes were for lengthy periods. The non-availability of medicines was partly due to pressure from the host community availing UNHCR health facilities and funding shortfalls (e.g. an order for medicines made in October 2018 was cancelled because of lack of

funds). OIOS also noted that due to tardy centralized procurement processes, an order placed for medicines and consumables in June 2017 only started arriving over a year later in July 2018.

18. There were also weaknesses in the Representation's systems for ordering medicines. Health facilities ordered medicines and supplies but received much less than the required quantities. In addition, the three health facilities that OIOS visited: (a) did not maintain stock records to ensure proper accountability; (b) kept medicines and related supplies in less than ideal conditions, e.g. under very hot temperatures; and (c) did not separate and dispose of expired medicines. For example, medicines in N'Djamena were not protected from heat, dust, rain and rodents. The Representation had identified these issues in a review that was done in January 2019 but had not taken any action to address them.

19. OIOS reviewed the referral of complicated medical cases by implementing partners to secondary and tertiary health facilities in Gore and Farchana and noted that the partners did not maintain adequate documentation to support the referral decisions made. In the absence of proper documentation, OIOS could not ascertain what the target group for referrals was and whether the Representation had signed contracts with secondary and tertiary health facilities. In cases where referrals were made by junior health staff of partners, there were no review mechanisms to ratify the decisions made. Some referral forms were not completed and signed as evidence of authorization. The health facilities also lacked a tracking system for referrals made and procedures for monitoring of related expenditure.

20. The Representation attributed the above weaknesses to funding challenges, which inter alia resulted in limited staffing capacity at health facilities. Whilst understanding these limitations, OIOS was of the view that the Representation's oversight over health activities needed strengthening to ensure that services were delivered to PoCs in a cost-effective manner, especially regarding availability of medicines.

(3) The UNHCR Representation in Chad should strengthen the quality of delivery of health services to persons of concern by developing a strategy and standard operating procedures to direct the provision of services, as well as an action plan to mitigate the risks related to the management of medicines, supplies and the referral process.

UNHCR accepted recommendation 3 and stated that a Public Health, Reproductive and Nutrition strategy was developed with the support of the Regional Bureau in Dakar. Additionally, SOPs for the provision of health services to PoCs and host communities in Chad were updated, adopted and their implementation was underway. An action plan to mitigate the risks related to the management and procurement of medicines was developed and implemented. Follow up missions on initial monitoring of the recommendations as well as audit observations were conducted to make sure that recommendations were followed through and remedial actions taken. In addition, updated SOPs for medicine management and its procurement process were developed and their implementation was underway. Based on the documentary evidence and assurances received from the Representation, recommendation 3 has been recorded as implemented.

C. Child protection and education

There was a need for the Representation to develop a country specific education strategy and SOPs and strengthen its response to child protection related risks

21. Refugee children comprised 53 per cent of the total refugee population in Chad; with their protection listed as one of the Representation's priorities. However, only 682 best interest assessments (BIAs) out of the 2,007 children identified as at risk were undertaken to guide responses to children's unique circumstances. This number did not match field office reports which showed that only 511 assessments

had been undertaken. OIOS review of 27 cases showed that BIAs were not always properly completed at the earliest opportunity and reviewed for quality assurance. Most documents reviewed lacked recommendations on actions to take and referrals to be made to partners for action where necessary.

22. The Representation also lacked effective countrywide case management mechanisms to assist children identified as being at a risk of sexual and gender based violence (SGBV). For instance, in Farchana, only 19 out of the 45 children identified at risk of SGBV were brought to the attention of the Case Management Committee (the Committee that reviews cases and determines action to take). No documentation was maintained by the Representation and the partner detailing the proposed mitigating actions for the 19 cases reviewed. Also, although the Representation had identified capacity issues with the partner responsible for child protection, it had not instituted measures to address them.

23. OIOS noted that 86,572 out of 163,547 refugee school going children were not attending school during the 2017/2018 academic year. This was attributed, amongst other things, to limited classroom space, reluctance by PoCs to integrate into the Chadian curriculum, socio-cultural barriers and children leaving camps in search of food. The Representation did not have a strategy and SOPs to address these challenges. Additionally, a review of construction of classrooms worth \$1.8 million showed that the partner did not follow its procurement procedures. For example, advertisements were run after quotations had been received, the partner accepted incomplete bids, conducted two separate bid evaluation exercises for the same procurement exercise without explanation, and awarded contracts to all bid respondents instead of selecting the best bidder. Payments were also made against progress reports without certification of works by an engineer, and no retention fees were deducted to mitigate the risk of poor quality work.

24. The results on some of the education related indicators as reported in Focus were inaccurate. For example, in its 2018 Focus indicator report, the Representation reported that the average number of children per classroom for the Sudanese population group was 679 children, which seemed unreasonable considering that there were 782 classrooms to cater for the 76,975 school going children. It also reported that it had completed construction of classrooms, whereas they were all still under construction and no furniture had been delivered at the time of the audit.

25. The Representation attributed the above issues to, amongst other things, late receipt of funds and mandatory contributions to school fees and supplies. OIOS was however of the view that these were due to the lack of strategies and SOPs to direct programme implementation and gaps in monitoring programme implementation. These shortcomings impacted the effectiveness of the Representation's response to education needs and child protection related matters.

(4) The UNHCR Representation in Chad should: (i) develop an action plan to strengthen programme implementation related to child protection; and (ii) develop an education strategy and related standard operating procedures to guide programme implementation.

UNHCR accepted recommendation 4 and stated that an updated strategy for education and related SOPs as well as SOPs for child protection had been developed and adopted. Based on the documentary evidence and assurances received from the Representation, recommendation 4 has been recorded as implemented.

D. Durable solutions and livelihoods

There was a need for the Representation to strengthen its management over implementation of durable solutions and livelihoods programmes

(a) Voluntary repatriation and reintegration

26. The Representation provided services to the protracted refugee caseload that comprised 68 per cent of the PoCs in Chad. Its expenditure on durable solutions activities in the audit period was \$3 million. The funding was spent inter alia on the return and reintegration of 5,731 Chadian refugee returnees and the repatriation of 1,759 Sudanese refugees to their country of origin.

27. The Representation lacked funding and was only able to provide Chad returnees from Sudan with return packages. It did not conduct a situation assessment to inform the type of reintegration programmes that were required upon their return. It also did not have a reintegration strategy, which would reflect what the targeted locations would be and what protection assistance, livelihoods activities and infrastructure would be needed, and SOPs to guide the process. Finally, there were inconsistencies between the Representation's records and reports regarding the number of returnees. For instance, the operating plan target for returning Chadians was 4,045, yet in Focus the number recorded was 6,000. Similarly, the 2018 Focus report stated that 1,515 people returned to Chad, but the Representation's annual report noted the number as 4,815.

28. Regarding the repatriation of Sudanese refugees, the Representation had SOPs but they were in draft at the time of the audit. There were also inconsistencies noted between the Representation's records and reports regarding the number of refugees to be repatriated. The target agreed by the tripartite commission was 20,000 Sudanese refugees, yet Focus listed this as only 3,500. The Focus report also noted that there were 807 cross border coordination meetings to facilitate the return process against a target of 2. This meant that the Representation met twice a day to achieve the reported result in Focus, which was not feasible.

(b) Livelihood activities

29. The Representation spent \$9.1 million on its livelihoods programme to increase refugees' self-reliance in Chad. The Representation's livelihoods strategy (2016-2020) was aligned to the UNHCR Global Strategy on Livelihoods except for an exit clause to ensure that the beneficiaries did not remain perpetually dependent on the programme for support. It also lacked SOPs to guide partners on the implementation of related programme activities, with instances noted where partners did not always abide with the set criteria for selecting and allocating supplies to beneficiaries. It also had not conducted a market assessment to inform its vocational training activities. For instance, electricity wiring and mechanical courses were offered in Farchana, yet the area had few vehicles and no electricity.

30. The Representation had not assessed the impact of this programme on the lives of PoCs. In Farchana, the partner did not maintain a record on the status of programme implementation by beneficiaries. They could not locate 3 of the 11 beneficiaries sampled that had received livestock under the programme. In 2017, PoCs received seeds but were not provided with land for cultivation, and in 2018, the same group received cash assistance to purchase farming equipment and seeds, but after the planting season had ended. Nine groups received money for start-up businesses but only two of them could be traced.

31. Per Focus, the Representation did not meet its targets for all nine output and three impact indicators that it had selected. For example, the Representation provided: (a) agriculture kits to only 26,020 out of

the targeted 35,412 PoCs; and (b) loans to 1,544 out of the targeted 4,150 PoCs. The Representation had however fully spent the budget, which raised questions on the efficiency of the projects.

32. The issues above raised questions about the technical competence of the partners selected to implement livelihoods projects and the adequacy of the management of livelihoods activities. The Representation's Implementing Partnership Management Committee (IPMC) had identified some capacity issues with these partners but had not instituted measures to address them. Additionally, two partners had qualified opinions in their project audit reports, but no measures were put in place to correct the issues that the external auditors had identified. While the Chad staffing structure had three livelihoods officer positions which had been filled by temporary arrangements, at the time of the audit, all of them had reached the period of mandatory separation and there were delays in filling the positions. Consequently, the livelihood programme worth \$4 million in Farchana was managed by a G-6 national staff.

(5) The UNHCR Representation in Chad should: (i) expeditiously fill the vacant livelihoods positions, develop related standard operating procedures and strengthen monitoring of partners to ensure effective implementation of livelihoods programmes; (ii) develop a reintegration strategy informed by a situation assessment as required; and (iii) implement controls to ensure that accurate information is recorded in Focus.

UNHCR accepted recommendation 5 and stated that: (a) a new livelihood strategy and related SOPs had been approved by the Management. This document had updated the existing livelihoods strategy and included additional sections related to Comprehensive Refugee Response Framework, joint programming and a revised exit strategy; and (b) a reintegration strategy had been developed and adopted. Under the lead of the Chadian Government, it is expected to mobilize support of the international community towards the increase of sustainable reintegration opportunities, thereby diminishing the potential for secondary displacement and back flow of the returnees to host country. The strategy intends to increase access to effective basic services, to improve standard of living and livelihoods in eight priority villages for returnees and the receiving communities. Based on the documentary evidence and assurances received from the Representation, recommendation 5 has been recorded as implemented.

E. Cash-based interventions

There was a critical need to strengthen controls and oversight arrangements over CBI

33. The Representation provided cash to 263,588 refugees worth \$11.3 million. The Representation conducted a feasibility survey in 2017 to inform its strategic and programmatic decision making on the CBI programme in Chad. The Representation only finalized its strategy on CBI implementation at the time of the OIOS audit, and this delay impacted its effectiveness in ensuring that CBI targeted the most vulnerable. For instance, the Representation allocated the same amount of education related cash assistance regardless their level of income. The fact that some PoCs could send their children to private schools indicated they had other income and were not as vulnerable. The Representation also changed from the voucher modality of delivery of CBI to cash transfer after the former failed because local businesses did not stock the items required by beneficiaries.

34. Regarding payments to PoCs, ProGres was only used to extract the list of intended beneficiaries and therefore, no system maintained a complete record of the Representation's dealings with PoCs. All payments were generated manually from an Excel listing before transferring the details of beneficiaries to MSRP for payment. The absence of security features in Excel exposed the payment roster to risks of error and manipulation. The Representation was also relying on refugee registration cards for identification when

a biometrics identity management system was in place. This raised the risk of double payment since some beneficiaries had similar names. Additionally, the Representation only reconciled the total number of intended beneficiaries to payments made, which did not provide assurance that payments were made to bona fide beneficiaries. The Representation did not make payments on time, impacting PoCs' ability to meet their needs.

35. The Representation could not justify its continued use of operational advances totalling \$248,000 for distributing cash to beneficiaries as a contract had been signed with a financial service provider for this purpose. Additionally, controls over these operational advances were lax, including being: (i) sometimes provided to managers without original supporting documents; (ii) made without the signature of the technical reviewer; and (iii) split to circumvent the established control that cash payments over \$10,000 were to be disallowed.

36. Since the inception of the CBI project, the Representation did not conduct periodic checks of local market prices and availability of commodities to assess sufficiency of cash being provided. The Representation was also not monitoring the effective use of the cash by beneficiaries. For instance, 15 PoCs that received the first tranche to construct shelters used the funds for other purposes. Also noted was although only those that had started construction got the second tranche of funding, the Representation did not gather information on the quality, sufficiency and effectiveness of assistance already provided to assess whether the CBI approach was creating the desired impact.

37. The inability of the Representation to assess the effectiveness of its CBI programme led to poor management of the programme, including non-compliance with key controls. Thus, there was a risk that the Representation was not meeting CBI programming objectives and UNHCR funds were not used efficiently in meeting its mandate of providing basic assistance to its PoCs.

(6) The UNHCR Representation in Chad should review its current cash-based interventions (CBI) strategy and ensure it is supported by a comprehensive review of the current CBI programme, as well as related standard operating procedures to ensure the programme remains relevant in addressing protection risks and safeguards available resources.

UNHCR accepted recommendation 6 and stated that: (a) the CBI strategy including the needs-based approach for Chad was finalized; (b) the market price tracking tool was operational and would be rolled out in October 2019 and allow tracking trends of non-food commodity price, and for further quality control, data from other sources would be used for market monitoring; and (c) SOPs for CBI with the new financial provider were updated and included elements from the needs-based approach. The implementation of the Global Distribution Tool was ongoing. For post distribution monitoring, the operation was analyzing data collected and the report was expected to be completed by October 2019. Recommendation 6 remains open pending receipt of documentary evidence of: (i) an updated CBI strategy and SOPs reflecting the results of CBI monitoring and market surveys that are underway; (ii) post distribution monitoring reports; and (iii) implementation of the Global Distribution Tool.

F. Supply management

The Representation needed to significantly strengthen its oversight over fuel management and procurement

38. In November 2018, based on a request of the Representation, the Compliance and Risk Management Unit (CRMU) of DESS conducted a procurement and supply management review and made 23 recommendations to improve procedures over procurement, fuel and asset management, as well as

enhance the capacity of the Supply Unit. Adequate action had been taken by the Supply Unit to implement the recommendations, but limited progress was made related to those to be implemented by the Programme and Administration Units.

39. The CRMU report concluded that the operation was adequately staffed, except for the Branch Office in N'Djamena which needed to be restructured and better resourced to take on the additional responsibilities allocated to it. For instance, although procurement activities were significant, with 315 purchase orders valued at \$7.5 million in 2018, it had still not designated an officer with overall responsibility for supply activities at the country level. This continued to expose the Representation to increased risks related to its procurement activities as well as an inefficient supply process. Action was also required to implement all CRMU's recommendations.

40. The Representation operated 335 vehicles and 163 generators and bought an average of 2.75 million liters of fuel per year (at a total cost \$2.6 million in the audit period). For 2019 planning, the Representation had not assessed whether the size of its vehicle fleet and number of generators was reasonable as part of its annual planning process. Additionally, after its 2018 review, where vehicles and generators were identified for disposal, no action had been taken, and were thus contributing to high maintenance costs of \$1.6 million and possible inefficiencies related to amount of fuel being used. The Representation had installed solar panels in some camps but had not assessed whether it resulted in a reduction of fuel costs and whether this would provide an alternative to the high fuel costs in the medium to long term.

41. Following the CRMU review, the Representation initiated a process to reconcile the fuel delivered to what was recorded as received by the logistics partner. At the time of the audit, the reconciliation was still ongoing, but the Representation: (a) was unable to reconcile fuel receipts in MSRP with those from the logistics partner for the period from 2015 to 2019; (b) identified unresolved shortfalls of 448,317 liters (worth \$441,000) between what it paid and what was reported as received by the logistics partner; (c) identified a shortfall of 682 liters reported as delivered by one of its suppliers, but not acknowledged as received at the Field Office in Bagasole that had not been investigated; and (d) was also unable to complete fuel reconciliations as three out of four suppliers of fuel did not provide the required statements.

42. OIOS field visits to Abeche Sub-Office noted that the Representation was not verifying fuel stock and reconciling it with its records. Visits to the Farchana Sub-Office and the Hadjer Hadid Field Office noted that while they prepared the required reconciliations and measured fuel using the dipstick, action to resolved shortfalls between the physical stock and book records remained inadequate.

43. A previous OIOS audit of Chad (Report 2015/048) made a recommendation for the Representation to establish appropriate procedures over fuel management, including the need to analyze fuel consumption patterns, conduct periodic physical verification of fuel stock, and ensure there were functioning odometers in vehicles. OIOS reviewed the status of implementation of the recommendation and noted the following:

- To improve monitoring of fuel consumption, the Representation invested \$280,000 in a telemetry system, but it was discontinued in December 2017 due to malfunctions, but no one was held responsible for the initial investment decision. The Representation lost 38,989 liters of fuel during the hand over from this system to its logistics partner, with the latter only accepting responsibility for 2,221 liters. No investigation into the unclaimed loss of fuel was done nor had the Representation recovered the 2,221 liters of fuel for which the partner accepted responsibility.
- In 2018, the Representation prepared vehicle fuel consumption reports, but did not analyze average consumption rates to investigate unusual variations to detect possible misuse or inefficiencies, saying that it could not be done due to lack of functioning odometers. However, OIOS noted that only 34 of the 335 vehicles had faulty odometers.

- Except for the N’Djamena office, the Representation did not monitor its fuel consumption against allocated quotas to determine whether the quotas needed to be reduced.
- The Representation did not monitor fuel consumption for generators that comprised 85 per cent of fuel used and no log books were maintained for computing the average fuel consumption rates and thus their efficiency.

44. OIOS concluded that the control weaknesses identified in Report 2015/048 had not been fully addressed resulting in the Representation continuing to be exposed to risks of inefficiencies and potential irregularities in fuel consumption due to insufficient monitoring.

(7) The UNHCR Regional Bureau for West Africa and Central Africa, in collaboration with the UNHCR Representation in Chad, should develop and implement an action plan to: (i) strengthen controls in fuel management in Chad, including but not limited to ensuring fuel receipts are reconciled, appropriate actions are taken on confirmed variances, and all purchased fuel is accounted for; and (ii) strengthen the structure and staffing of the supply function.

UNHCR accepted recommendation 7 and stated that: (i) many improvements were made including re-structuring of the supply unit and preparation of fuel monthly reconciliations. Also 77 per cent of the recommendations from the CRMU were fully implemented. To reinforce fuel management controls, the Representation has hired an audit firm to review all fuel related issues and proposed recommendations. Recommendation 7 remains open pending receipt of documentary evidence of: (i) reconciliations to account for all fuel received in the period under audit and recovery of losses if any; and (ii) implementation of the action plan arising from the fuel management review.

G. Partnership management

There was a need for the Representation to strengthen management of projects implemented by partners to ensure the delivery of services to PoCs effectively and efficiently

45. The Representation’s IPMC oversaw the selection and retention of partners. OIOS noted that the IPMC retained partners with known weaknesses without instituting measures to address gaps in their capacity and weaknesses in internal controls. Nine projects implemented by five partners received qualified opinions from the external auditors of projects, but the Representation did not follow up on the recommendations to ensure improvements were made. The Representation’s justification was that it could not find alternative implementing partners. However, the Representation did not issue an expression of interest to identify possible partners in 2018, missing the opportunity to identify alternative partners.

46. The project partnership agreements (PPAs) did not provide an accurate description of the Representation’s expectations of partners. For example, the project description was often not aligned to the expectations articulated in the SOPs, where available. In addition, the indicators and targets in the partners’ PPAs were not aligned to annual targets established in Focus, and it was therefore not possible to establish how the activities undertaken by the partners contributed to the Representation’s strategic objectives. Some PPAs were not amended to reflect changes to activities, budgets and targets; e.g., the Representation reduced the number of shelters a partner was to construct from 2,000 to 1,339 units without amending the PPA. The Representation had not assessed the partners’ capacity to procure goods and services.

47. OIOS saw limited evidence of review of partners’ performance by the Representation’s multi-functional teams, and Project Control did not travel to field locations to undertake financial verification of

projects, with desk reviews being the prevalent mode of verification. The Representation did not have risk-based monitoring plans for projects and therefore, lacked a basis against to determine the number and frequency of monitoring visits. For example, there was no evidence that the Representation had increased the monitoring of partners with known capacity issues and/or implementation challenges or projects assessed as higher risk. The Representation had identified in its risk register a risk related to non-continuous monitoring of the quality of programmes being, but no risk treatments were documented. Also, while it had identified the risk of fraud among partners as high risk, proposed mitigation measures were inadequate.

48. The Representation attributed these weaknesses to its limited staff capacity. Notwithstanding the staffing gaps, OIOS was of the view that the Representation had not prioritized the controls required to address the risks inherent in partnership arrangements.

(8) The UNHCR Representation in Chad should strengthen its management of partnerships by developing an action plan that addresses the weaknesses identified in selection and retention of partners, development of agreements, and monitoring of project implementation.

UNHCR accepted recommendation 8 and stated that: (a) the Representation had compiled a risk-based monitoring plan with the assistance of the Project Control Unit, with the Unit undertaking monitoring missions to implement the risk-based monitoring plan; (b) from May 2019, the multi-functional teams started to work on review of PPAs, in parallel with the preparation of the PPA monitoring plans, ensuring that the changes in activities and budgets were reflected in different annexes including the project descriptions; and (c) all 2018 project audit recommendations were implemented. OIOS noted that the partner selection was still underway which raised questions on whether the PPAs had been adjusted. Also, the completed risk assessments were inadequate, e.g. the partner that managed fuel was assessed as low risk despite having many issues identified with this partner. The documentation provided also showed that not all recommendations from previous audits had been satisfactorily addressed. Recommendation 8 remains open pending receipt of documentary evidence of: (i) revised PPAs reflecting required changes; (ii) disposal of project audit recommendations; and (iii) implementation of risk-based monitoring plans with the involvement of project control.

H. Control environment and enterprise risk management

The Representation needed to improve the control environment and ensure key risks are identified and effectively mitigated

(a) Control environment

49. The issues raised in this report reflected gaps in the Representation's control environment, which impacted its ability to operate in a cost-effective manner and adequately safeguard its assets. The Representation was mindful of the need to improve the control environment as evidenced by requests for expert support missions from headquarters in relation to fleet management, livelihoods and procurement. However, the pace of implementing the resultant recommendations was slow. Also, some SOPs were still missing mainly in health and education, despite an initiative in 2018 to develop them, further weakened the control environment. There was no evidence that actions were taken to correct instances of non-compliance as referred to above.

50. OIOS noted the challenges faced by the Representation in implementing its programme of work mainly due to the inability to attract and retain suitably qualified personnel in key functions. At the time

of the audit, the Representation had 67 affiliate staff who should have been supervised by senior UNHCR staff, but many of those supervisory positions were vacant. At the time of the audit, 63 positions were filled on a temporary basis by technical advisors and staff on temporary assignments due to lack of suitable candidates, who normally had to stay much longer than the initial placement. Delivery of services with these arrangements, even when effective, came at the cost of low morale and lack of commitment to the job. The overriding of controls noted under CBI (paragraph 35 above) happened when staff had gone on rest and recuperation leave.

(b) ERM

51. In a previous audit (Report 2017/067), OIOS had recommended that the Representation: (i) review its risk register to prioritize the risks and identify and initiate the required treatments, including monitoring thereof; and (ii) ensure that all risk focal points and other relevant managers and staff were trained on risk management using available training resources. The Representation provided evidence that risk focal points and other relevant managers and staff were trained on risk management. However, although the Representation stated that it had reviewed and updated its risk register, OIOS noted that the register still did not identify key risks that could inhibit the achievement of the Representation's strategic objectives. For example, there were no risks and related treatment plans associated with the limited funding and staff vacancies.

52. The basis for prioritizing seven risks was also unclear and inconsistent, as they included risks with a medium likelihood and low impact, while other - non-prioritized - risks were assessed with high likelihood and major impact (for example, human resources fraud). The Representation stated that it was monitoring all risks that had been prioritized through multi-functional teams. However, there was no evidence of such reviews since these teams were not functional. The register also only listed controls that were in place but did not provide any assessment of their effectiveness in mitigating the stated risks in a time bound manner. For example, for the risk related to physical cash fraud, the proposed treatment was the development of an SOP on cash management. Although the risk register showed that this action was implemented, OIOS identified gaps in the management of cash as operational advance cheques were being drawn up in drivers' names instead of the individuals that requisitioned the funds.

53. Some of the risks identified in this audit were also listed in the register but the proposed actions were inadequate to mitigate them. This raised questions as to whether the risk register was used as a management tool for actively identifying and managing risks as stated, and whether risk management was embedded in the Representation's operational management and decision making processes.

(9) The UNHCR Representation in Chad should: (i) review its structure, staffing and allocation of roles and responsibilities to reinforce accountability; (ii) develop an action plan to ensure all pending recommendations related to the reviews undertaken recently by various expert missions from headquarters are implemented; and (iii) review the risk register for comprehensiveness and establish an action plan to integrate risk management into operational management and decision-making.

UNHCR accepted recommendation 9 and stated that the Representation had updated its organigram and updated the terms of reference for sub and field offices. The Risk Committee held a meeting and updated the risk register. Training was undertaken and planned for the whole office and an action plan developed for the follow up of the actions in the risk register. OIOS reviewed the organigram provided and noted that it was not the complete, as it did not include the whole office. Also, the risk register did not reflect the new risks identified at the risk review meeting implying that it was still not comprehensive. Recommendation 9 remains open pending receipt of documentary evidence of:

(i) the revised organigram with enhanced staff roles and responsibilities; (ii) action plan for implementing outstanding recommendations from past reviews; and (iii) an updated risk register.

IV. ACKNOWLEDGEMENT

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

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

STATUS OF AUDIT RECOMMENDATIONS

Audit of the emergency response in Chad 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
1	The UNHCR Regional Bureau for West Africa and Central Africa should institute mechanisms for monitoring active emergencies in the region and ensure that adequate support is given to countries responding to future emergencies.	Important	C	Action completed.	Implemented
2	The UNHCR Representation in Chad should implement appropriate monitoring arrangements over provision of core relief items and shelter to ensure proper accountability over their distribution.	Important	C	Action completed.	Implemented
3	The UNHCR Representation in Chad should strengthen the quality of delivery of health services to persons of concern by developing a strategy and standard operating procedures to direct the provision of services, as well as an action plan to mitigate the risks related to the management of medicines, supplies and the referral process.	Important	C	Action completed.	Implemented
4	The UNHCR Representation in Chad should: (i) develop an action plan to strengthen programme implementation related to child protection; and (ii) develop an education strategy and related standard operating procedures to guide programme implementation.	Important	C	Action completed.	Implemented
5	The UNHCR Representation in Chad should: (i) expeditiously fill the vacant livelihoods positions, develop related standard operating procedures and strengthen monitoring of partners to ensure effective	Important	C	Action completed.	Implemented

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

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

³ C = closed, O = open

⁴ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the emergency response in Chad 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
	implementation of livelihoods programmes; (ii) develop a reintegration strategy informed by a situation assessment as required; and (iii) implement controls to ensure that accurate information is recorded in Focus.				
6	The UNHCR Representation in Chad should review its current cash-based interventions (CBI) strategy and ensure it is supported by a comprehensive review of the current CBI programme, as well as related standard operating procedures to ensure the programme remains relevant in addressing protection risks and safeguards available resources.	Critical	O	Submission of documentary evidence of: (i) an updated CBI strategy and SOPs reflecting the results of CBI monitoring and market surveys that are underway; (ii) post distribution monitoring reports; and (iii) implementation of the Global Distribution Tool.	31 December 2019
7	The UNHCR Regional Bureau for West Africa and Central Africa, in collaboration with the UNHCR Representation in Chad, should develop and implement an action plan to: (i) strengthen controls in fuel management in Chad, including but not limited to ensuring fuel receipts are reconciled, appropriate actions are taken on confirmed variances, and all purchased fuel is accounted for; and (ii) strengthen the structure and staffing of the supply function.	Critical	O	Submission of documentary evidence of: (i) reconciliations to account for all fuel received in the period under audit and recovery of losses if any; and (ii) implementation of the action plan arising from the fuel management review.	31 December 2019
8	The UNHCR Representation in Chad should strengthen its management of partnerships by developing an action plan that addresses the weaknesses identified in selection and retention of partners, development of agreements, and monitoring of project implementation.	Important	O	Submission of documentary evidence of: (i) revised PPAs reflecting required changes; (ii) disposal of project audit recommendations; and (iii) implementation of risk-based monitoring plans with the involvement of project control.	31 December 2019
9	The UNHCR Representation in Chad should: (i) review its structure, staffing and allocation of roles and responsibilities to reinforce accountability; (ii) develop an action plan to ensure all pending recommendations related to the reviews undertaken	Important	O	Submission of documentary evidence of: (i) the revised organigram with enhanced staff roles and responsibilities; (ii) action plan for implementing outstanding recommendations from past reviews; and (iii) an updated risk register.	31 December 2019

STATUS OF AUDIT RECOMMENDATIONS

Audit of the emergency response in Chad 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
	recently by various expert missions from headquarters are implemented; and (iii) review the risk register for comprehensiveness and establish an action plan to integrate risk management into operational management and decision-making.				

APPENDIX I

Management Response

Management Response

Audit of the emergency response in Chad for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Regional Bureau for West Africa and Central Africa should institute mechanisms for monitoring active emergencies in the region and ensure that adequate support is given to countries responding to future emergencies.	Important	Yes	Bureau Director	Completed 21 August 2018	UNHCR accepted recommendation 1 and stated that the Bureau has in place mechanisms for the monitoring of emergencies in accordance with the UNHCR's Policy on Emergency Preparedness and Response. The Bureau worked closely with DESS and Divisions and organized fortnightly meetings involving Divisions at HQ and Budapest and Country Operations to follow up and monitor the implementation and compliance of the Policy. It supported field operations, for instance the Chad operation, in mobilizing additional resources in terms of human resources (ERT), financial resources, etc. and coordinating the response. The same practices are being applied for the current emergencies in Cameroon, Niger, Burkina Faso, etc. The Bureau in coordination with DESS organized senior joint mission to assess the emergency in the South of Chad and make required recommendations, including the deactivation of the Emergency Level 2, based on the outcomes of the mission. The bureau recognized some weaknesses in the communication related to some emergencies, such as the emergency under the Nigeria situation, resulting in some management issues or oversight linked to the activation, deactivation or continuation of an emergency level. At

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

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

Management Response

Audit of the emergency response in Chad for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						institutional level, this matter is now addressed through the revised policy.
2	The UNHCR Representation in Chad should implement appropriate monitoring arrangements over provision of core relief items and shelter to ensure proper accountability over their distribution.	Important	Yes	Senior Protection Officer	Completed 21 August 2018	UNHCR accepted recommendation 2 and stated that the Representation proceeds with CRI reconciliation after distribution in reference to the new SOP for CRI management, distribution and reconciliation. Additionally, the Representation also strengthened the control process in CRI management by updating the approval mechanism of the distribution list and by putting in place a new form for monthly reconciliation of distributed CRIs. It is worthy to notice that the Representation is now systematically reconciling CRIs distributed to PoCs.
3	The UNHCR Representation in Chad should strengthen the quality of delivery of health services to persons of concern by developing a strategy and standard operating procedures to direct the provision of services, as well as an action plan to mitigate the risks related to the management of medicines, supplies and the referral process.	Important	Yes	Senior Public Health Officer	31 December 2019	<p>A new Public Health, Reproductive and Nutrition strategy integrating the Global Compact on Refugees has been developed with the support of the Regional Bureau in Dakar. Additionally, SOPs for the provision of health services to PoCs and host communities in Chad were updated, adopted and their implementation has already started as recommended.</p> <p>An action plan to mitigate the risks related to the management and procurement of medicines was developed and implemented. Follow up missions on initial monitoring of the recommendations as well as audit observations were conducted to make sure that recommendations are followed through and remedial actions are taken. In addition, updated SOPs for medicine management and its</p>

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Audit of the emergency response in Chad for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						procurement process were developed and are being implemented.
4	The UNHCR Representation in Chad should: (i) develop an action plan to strengthen programme implementation related to child protection; and (ii) develop an education strategy and related standard operating procedures to guide programme implementation.	Important	Yes	Education Officer and Child Protection Officer	Completed- September 28 th 2019.	An updated strategy for education and related SOPs as well as SOPs for child protection have been developed and adopted.
5	The UNHCR Representation in Chad should: (i) expeditiously fill the vacant livelihoods positions, develop related standard operating procedures and strengthen monitoring of partners to ensure effective implementation of livelihoods programmes; (ii) develop a reintegration strategy informed by a situation assessment as required; and (iii) implement controls to ensure that accurate information is recorded in Focus.	Important	Yes	Senior Livelihood Officer & Senior Development Officer HR Unit	Completed- September 21 st 2019	<p>a) A new livelihood strategy and related SOPs have been developed and approved by the Management. This document updates the existing livelihoods strategy and includes additional sections related to CRRF, UNHCR-WFP joint programming and a revised exit strategy. It also contains SOPs on specific interventions. It aims at providing guidance to partners and relevant stakeholders in refugees hosting areas and at national level, allowing a smoother cooperation with development actors and ultimately with the Government. In line with the Global Compact on Refugees the strategy moves to a more holistic approach by targeting refugees and host communities based on their capacities and ensuring full participation of refugees to the existing socioeconomic systems.</p> <p>b) A reintegration strategy has been developed and adopted. Under the lead of the Chadian Government, it is expected to mobilize</p>

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						support of the international community towards the increase of sustainable reintegration opportunities, thereby diminishing the potential for secondary displacement and back flow of the returnees to host country. The strategy intends to increase access to effective basic services, to improve standard of living and livelihoods in 8 priority villages for returnees and the receiving communities. A comprehensive approach, targeting returnees and host communities simultaneously, is expected to make return and reintegration more inclusive, effective and sustainable.
6	The UNHCR Representation in Chad should review its current cash based interventions (CBI) strategy and ensure it is supported by a comprehensive review of the current CBI programme, as well as related standard operating procedures to ensure the programme remains relevant in addressing protection risks and safeguards available resources.	Critical	Yes	Cash Based Interventions Officer	31 December 2019	<p>a) The updated CBI strategy including the needs-based approach for Chad has been finalized and is now available. This document will also be used to update Chad's global operational strategy which will then be directly considered and integrated into the 2020 operation plan.</p> <p>b) The Market Price Tracking Tool is already developed, functional and will be rolled out throughout the operation by the end of October 2019 and will allow to track the trend of non-food commodity prices on the markets of refugee camps. For further quality control, data from other sources will also continue to be used for market monitoring.</p> <p>c) Updated SOPs for CBI with the new financial provider are also elaborated and validated.</p>

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						<p>This document has been updated with elements from the needs-based approach.</p> <p>d) The implementation of the Global Distribution Tool (GDT) is still ongoing. Indeed, Chad's operation has already reached the initial phase of the deployment of the GDT with the training of the technical staff and the configuration of the server. Unfortunately, the deployment of RApp server that could support the use of GDT on Off-line mode has been suspended until further notice (see Chad PRIMES deployment mission dates and calendar.msg). In the current conditions, the full deployment of GDT would be effective only after the completion of Internet connectivity in all the refugee camps scheduled by the end of January 2020.</p> <p>e) As for the Post Distribution Monitoring, the operation is currently conducting an analysis of the data collected with the intention of finalizing the PDM report before the end of October 2019.</p> <p>The operation believes that many actions have already been taken towards the implementation of the recommendations and will make sure that the pending actions are followed through before November 1st 2019 to allow for their definite closure</p>
7	The UNHCR Regional Bureau for West Africa and Central Africa, in collaboration with the	Critical	Yes	Senior Supply Officer	31 December 2019	a) A number of improvements have been made in the management of fuel in Chad's

Management Response

Audit of the emergency response in Chad for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	<p>UNHCR Representation in Chad, should develop and implement an action plan to: (i) strengthen controls in fuel management in Chad, including but not limited to ensuring fuel receipts are reconciled, appropriate actions are taken on confirmed variances, and all purchased fuel is accounted for; and (ii) strengthen the structure and staffing of the supply function.</p>					<p>operation. A memo was issued by the Representative to reform the structure of the supply unit. Fuel monthly reconciliation to account is now systematic and implemented in all fuel stations in the operation. Actions have also been taken towards the recovery of losses.</p> <p>b) Actions arising from CRMU reviews are being implemented. Out of 34 points, 26 are fully completed, representing 77% of progress. The remaining 33% of actions are ongoing. The points 19a and 19b related to the closure of fuel depot in MSRP will be implemented by December 31st 2019. In the optic of reinforcing all aspects of fuel management following the CRMU mission, the Representation has hired an audit firm to review once more all fuel related issues and proposed recommendations. Therefore, the other points in the CRMU report that are related to fuel management will be implemented after the completion of the audit firm's mission which starts on October 1st 2019.</p> <p>Pending Actions: Audit report and related recommendations to be implemented in order to fully comply with all pending recommendations of the CRMU audit report.</p>

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Audit of the emergency response in Chad for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
8	The UNHCR Representation in Chad should strengthen its management of partnerships by developing an action plan that addresses the weaknesses identified in selection and retention of partners, development of agreements, and monitoring of project implementation.	Important	Yes	Senior Program Officer	31 December 2019	<p>a) The risk based monitoring plans were prepared by the MFT (multifunctional teams) in different offices and for all partners, joint field monitoring missions were conducted and reports prepared and shared with auditors (<i>samples were already shared</i>). In addition, the operation has established a compiled risk based monitoring plan for all sections per office with the assistance of Project Control. The project Control unit has also undertaken monitoring missions to implement some aspects of the Risk Based Monitoring Plan</p> <p>b) Since May 2019, the MFTs started to work on PPAs review, in parallel with the preparation of the PPA monitoring plans, ensuring that the changes in activities and budgets are reflected in different annexes including the project descriptions.</p> <p>c) Audit recommendations for 2018 projects have all been implemented. The annexes C reports (for project closure) have been uploaded into e-safe their status are now closed.</p>
9	The UNHCR Representation in Chad should: (i) review its structure, staffing and allocation of roles and responsibilities to reinforce accountability; (ii) develop an action plan to ensure all pending recommendations related to the reviews	Important	Yes	Deputy Representative for Operations	31 December 2019	<p>a) The UNHCR Chad Management considers the question of risk management as one of its main priorities. Strong decisions have been made to enhance roles and responsibilities in critical areas of the operation. At first, The Representative initiated some changes in the job description of the Heads of Offices in Chad. Among these changes, more emphasis</p>

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	undertaken recently by various expert missions from headquarters are implemented; and (iii) review the risk register for comprehensiveness and establish an action plan to integrate risk management into operational management and decision-making.					<p>is now made on “<i>better management of financial, material and human resources, systematic monitoring/evaluation of activities, better implementation of SOPs and memos, stronger accountability towards beneficiaries and the use of risk management in the decision making process</i>”. In the same vein, the Management has instructed all Heads of Sub Office to personally conduct random checks of petty cash in order to reinforce internal control mechanisms. A newly created Senior Supply Officer position is already advertised as well as that of a new procurement officer position. In addition, the management has requested an immediate assistance mission of a P5 Senior Supply Officer to carry out a thorough review of the supply chain. A compliance Officer position P-3 has been created and already advertised to help mitigate all the identified risks. Moreover, a Senior Project Control Officer was also recruited to bolster the oversight and monitoring functions in the operation. All these are considered as concrete actions to enhance staff roles in the operation despite the limited resources</p> <p>b) A review session of the Country Risk Register was conducted on September 21st 2019 with the leadership of the Senior Management. During the session steered with a multifunctional approach, existing risks and their mitigation measures were reviewed and</p>

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						<p>updated and some new risks were added in view of the changing operational context. These changes and mitigation measures will be factored in the detailed planning of projects for the year 2020 which will commence during the month of October 2019.</p> <p>It is also important to point out that the operation has embarked on the initiative of training of all its staff on risk Management. Training sessions have already been held in Ndjamena and Gore for UNHCR staff and partners. A memo was also elaborated by the Representative requesting all offices and their staff to undergo the online training on ERM (Enterprise Risk Management). All of these initiatives are considered as bold and swift actions to make sure that risk awareness and management culture are now embedded in Chad's decision making process and management culture.</p>