



INTERNAL AUDIT DIVISION

REPORT 2019/142

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

**There was a need to strengthen controls
over partnership management, human
resources management, procurement and
vendor management, fair protection process
and documentation, cross-border operations
and resettlement activities**

**24 December 2019
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Audit of the operations in Turkey 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 operations in Turkey for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the UNHCR Representation in Turkey was managing the delivery of services to its persons of concern (PoCs) 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 operated. The audit covered the period from 1 January 2018 to 30 April 2019 and included a review of: (a) planning and resource allocation; (b) partnership management; (c) human resources management; (d) procurement and vendor management; (e) fair protection process and documentation; (f) security from violence and exploitation; (g) cross-border operations; and (h) resettlement activities.

The Representation's controls over planning and resource allocation and security from violence and exploitation were satisfactory. However, the Representation needed to strengthen controls over partnership management, human resources, procurement and vendor management, fair protection process and documentation, cross-border operations and resettlement. The Representation also needed to better integrate its risk management processes into its operations management cycle.

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

- Review and strengthen its control processes over partnership management by: (i) ensuring project partnership agreements are signed in a timely manner; and (ii) aligning the frequency and scope of monitoring of partners with the project risks identified;
- Strengthen human resources management by: (i) monitoring and addressing vacancy rates to ensure vacancies are filled in a timely manner; (ii) developing further criteria and guidance to managers to ensure transparency of the on-going staff restructuring exercise; and (iii) conducting a cost-benefit analysis on the use of affiliated workforce;
- Systematically evaluate and document the performance of vendors and include relevant key performance indicators for monitoring progress and performance of high-value contracts;
- Finalize and endorse the report on the verification project taking into consideration the achievements and lessons learned, as well as the strategy as to whether UNHCR should maintain its continuous support to the host Government in registration activities at the same level or gradually phase it out;
- In coordination with the UNHCR Regional Bureau for the Middle East and North Africa, strengthen controls over cross-border operations by: (i) ensuring adequate staffing and strengthening accountability mechanisms; (ii) sharing vulnerability criteria with the partners; and (iii) setting up a review mechanism for the adequacy of the third-party monitoring reports; and
- Strengthen controls over resettlement by: (i) documenting the resettlement case decisions; (ii) defining and implementing systematic procedures for the review of pending cases; and (iii) ensuring adequate documentation of physical resettlement files and their consistency with electronic records.

UNHCR accepted the recommendations, took action to implement two recommendations and has initiated action to implement the remaining four.

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

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in Turkey for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. The UNHCR Representation in Turkey (hereinafter referred to as the Representation) started its operations in 1960. The Turkish Government's Directorate General of Migration Management (DGMM) reported that as of December 2018, Turkey had over 3.6 million registered Syrian refugees. In addition, UNHCR Turkey records showed that there were around 360,000 refugees and asylum seekers of other nationalities seeking international protection.

3. Turkey is a party to the 1951 Refugee Convention and its 1967 Protocol but retains a geographical limitation¹. UNHCR conducted registration and refugee status determination (RSD) of all international protection applicants under its mandate until 2013 when, following the increasing number of arrivals, the Government of Turkey took over the registration of Syrian refugees. In 2013, the Government also promulgated a refugee legal framework and established the DGMM whose responsibilities included, *inter alia*, registration and RSD of persons seeking protection in the country. Accordingly, the Representation phased out its registration and RSD for nationalities other than Syrians on 10 September 2018, and at the same time intensified its efforts to support and monitor the national registration and international protection procedures. It also contributed to institutional and legislative capacity development to strengthen the national asylum system and co-led with the United Nations Development Programme the Regional Refugee and Resilience Plan 2018-2019 (3RP) that supported the Government in responding to the needs of Syrian refugees and host communities. UNHCR continued to pursue resettlement and other legal avenues for refugees in third countries in coordination with DGMM.

4. The Representation was headed by a Representative at the D-2 level, reporting to the Director of the Bureau for Europe, as well as to the Director of the Regional Bureau for the Middle East and North Africa (MENA) on the Syria and Iraq situations. The Representation had a Country Office in Ankara, a Sub-Office in Gaziantep, and six Field Offices/Units. It also had a team in Gaziantep to manage emergency humanitarian assistance for internally displaced persons (IDPs) in Syria through border crossings in South-East Turkey. As at December 2018, the Representation had 363 staffing positions. The Representation disbursed a total of \$157.3 million from 1 January 2018 to 30 April 2019. It worked with 21 partners in 2018 and 19 partners in 2019, through which it disbursed \$41.5 million in 2018 and \$16.2 million by April 2019 respectively (i.e., 37 per cent of programme related expenditure).

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 in Turkey was managing the delivery of services to its persons of concern (PoCs) 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.

¹ This implies that the country grants refugees of European origin the right to seek asylum while non-Europeans are eligible only for temporary asylum.

7. This audit was included in the 2019 risk-based work plan of OIOS due to risks associated with high costs and complexity of the operations in Turkey.

8. OIOS conducted this audit from June to August 2019. The audit reviewed the Representation's activities during the period from 1 January 2018 to 30 April 2019. Based on an activity-level risk assessment, the audit covered the following higher and medium risk areas: (a) planning and resource allocation; (b) partnership management; (c) human resources management; (d) procurement and vendor management; (e) fair protection process and documentation; (f) security from violence and exploitation; (g) cross-border operations; and (h) resettlement activities. The assessment of enterprise risk management and the control environment was integrated in the review of these areas.

9. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review 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) review of data extracted from proGres, the UNHCR registration and case management tool; (e) sample testing of controls; and (f) visits to three offices of UNHCR, five partners and two social security centres.

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

III. AUDIT RESULTS

A. Planning and resource allocation

Controls over planning and resource allocation were satisfactory

11. The Representation had prepared annual operations plans for 2018 and 2019. These plans were aligned with UNHCR's global strategic priorities and based on an assessment of the needs of PoCs. They also included the Representation's protection and operational strategies, as well as the goals and objectives, outputs and activities with allocated budgets, and deliverables for the year. However, OIOS noted opportunities to improve the operations planning process, including the need to ensure that the Representation's strategies, budget planning and protection activities were based on updated statistics on registered refugees and that budget allocations were fully aligned with the strategic priorities. Since the Representation had already initiated efforts to address these issues, which included high-level meetings and correspondence with the General Director of DGMM and the concerned Government counterparts, civil society and other stakeholders, and capacity development initiatives such as training of its and partners' staff associated with budget development activities, OIOS did not make a recommendation.

B. Partnership management

There was a need to sign project agreements timely and strengthen risk-based project monitoring

12. The Representation had updated the membership of its Implementing Partnership Management Committee in July 2018. The Committee: (i) reviewed the calls for expression of interest from partners; (ii) vetted the concept notes submitted by partners; and (iii) met to deliberate whether to select new partners or retain those already in place. The Committee also prepared and submitted its recommendations to the Representative as Head of Office as per the UNHCR partner selection procedures. OIOS, therefore, assessed that controls over the selection of partners were satisfactory.

13. OIOS' review of a sample of project partnership agreements (PPAs) indicated that they were concluded in the prescribed formats, with well-defined objectives, expected outputs and performance indicators. However, none of the 21 agreements in 2018 and 19 in 2019 were signed on time before the project year, exposing the Representation to the risk of delays in project implementation. These delays were mainly attributed to the extensive procedural requirements for the finalization of PPAs, some of which were beyond UNHCR's control as they involved stakeholder consultations and had been systemic over several years. On average, the delay in signing the PPAs was 26 days in 2018 and 34 days in 2019.

14. The Representation had established Multi-Functional Teams that undertook regular financial and performance monitoring visits. Annual risk-based plans were developed for 2018 and 2019 to monitor partners' implementation of assigned projects. However, the monitoring plans were not updated to reflect the frequency of monitoring done by the Multi-Functional Teams and to ensure that the monitoring visits and their scope were adjusted in line with changes in assessed risks or new emerging risks not originally identified in the plan. For example, in 2018, the frequency for monitoring planned for a large partner with a budget of \$12.9 million was the same as that of a small partner with a budget of \$76,028. The Representation had assessed both partners as medium risk, while the justification for this was unclear. In addition, the monitoring plan was not implemented as the actual numbers of visits were different from those planned.

15. OIOS' visits to five partners indicated that partners did not act in a timely manner to implement recommendations arising from the project audits contracted by UNHCR. For example, at the time of the audit, of 111 project audit recommendations raised in 2017, only 56 recommendations (66 per cent) were completed. However, the Representation took immediate action and provided subsequent evidence to OIOS that satisfactory measures were being taken on the outstanding recommendations.

16. The Representation delegated procurement of goods and services valued at \$24.4 million in 2018 to 21 partners and \$16.4 million in 2019 to 19 partners. It further delegated procurement of goods and services for cross-border operations to seven partners in 2018 for \$992,376 and six in 2019 for \$900,619. However, OIOS visits to five partners identified that each partner's procurement controls needed to be strengthened, including regarding the need to establish a committee on contracts with responsibilities to review procurement cases and make recommendations for award to vendors.

17. The Representation had not prepared minutes of meetings or otherwise documented the collective consultations and the recommendations made to the Representative to support the decisions made on delegating procurement to partners; however, whilst the audit was still in progress, it took corrective action in this regard. OIOS reviewed the documentation subsequently provided and assessed that the process for designating procurement to partners was conducted as per UNHCR procedures.

(1) The UNHCR Representation in Turkey should review and strengthen its control processes over partnership management by: (i) ensuring project partnership agreements are signed in a timely manner; and (ii) aligning the frequency and scope of monitoring of partners with the project risks identified.

UNHCR accepted recommendation 1 and stated that during the 2018 risk assessment exercise, the Representation used the UNHCR toolkit for Risk Based Monitoring and Control which automatically rated the overall risk of each partner as "medium" and automatically recommended at least two on-site Project Financial Report verifications and one performance verification per partner. Accordingly, the Representation's plans reflected the same number of monitoring visits for every partner. However, the actual monitoring visits were undertaken based on the risks as well as the size of the budget of the partners; for example, in 2018, 16 field monitoring and four financial verification visits were conducted for the partner with the largest budget. UNHCR also provided its assessment

of the partners' procurement capacity that was prepared after completion of audit fieldwork. Recommendation 1 remains open pending receipt of: (i) evidence that the 2020 PPAs were signed in a timely manner; and (ii) copies of recent reports on financial and performance monitoring conducted, aligned with the project performance monitoring plan and demonstrating focus on the project risks identified and sufficient coverage of partner procurement activities.

C. Human resources management

There was a need to strengthen human resources management

18. As of May 2019, the Representation had an authorized staffing level of 363 positions, comprising 64 international and 58 national professional officers (NPOs), 2 field staff and 238 general service staff.

19. The Representation's vacancy rate was 12.5 per cent and 12.8 per cent for international and national positions respectively. The high vacancy rates had resulted in under-staffing in some key positions and functions. For example: (i) the Human Resources Unit had a vacancy rate of 33 per cent; and (ii) the position of the Senior Protection Cluster Coordinator for cross-border operations had been filled on temporary arrangements for more than two years, with consequential impacts on these activities. The Representation was relying heavily on temporary staff who represented 29 per cent of all staff (22 per cent of international and 7 per cent of national staff) as at May 2019. The selection of temporary staff was not subject to review by the Representation's assignment committees. Due to insufficient funds under the budget category for temporary appointments, the Representation overspent the allocations by \$433,535 and charged this excess amount to the administrative budget. Although the Representation explained that the high vacancy rates were caused by the reclassification of positions and time taken to fill the posts on a regular basis, similar issues were raised by OIOS in its 2016 audit and the Representation had not systematically monitored the vacancy rates and taken appropriate action since then.

20. The Representation, due to changes in operational priorities, had been adapting its staffing structure. For instance, when the registration and RSD functions were phased out in September 2018, related staff positions were discontinued and/or reclassified. The Representation restructured its country and field offices and, in addition, it was planning to strengthen and consolidate its national capacity by creating NPO positions to support the gradual reduction of international staff in 2020 and beyond. Between January 2018 and May 2019, 28 and 14 national and international positions were discontinued, respectively, and 56 NPO positions created. There were also 78 and 12 reclassified national and international positions respectively, including upgrades and downgrades. The Representation developed a document "HR Considerations for Planning" which was dated June 2019 to guide the restructuring process. These planning considerations, however, did not provide adequate criteria to determine which positions in which offices should be discontinued, upgraded, downgraded, reclassified or created. At the time of the audit, without further guidance and clear criteria, managers had been tasked with reviewing capacity needs and recommending position changes. Consequently, managers were given discretion with no safeguards in place to ensure a consistent and transparent process was being applied. This posed a risk of favouritism and misuse of authority, and staff had already complained to the Inspector General's Office on decisions made at the Representation level.

21. As of May 2019, the Representation had 52 national and international individual contractors; equivalent to 14 per cent of its approved staffing level. Six of them had been engaged continuously for more than four years, and the Representation had not reviewed whether their functions were still required. Although the Representation was in the process of reducing the number of affiliate workforce personnel, there were no criteria on discontinuation or regularization of positions filled by the affiliated workforce. In addition, no-cost benefit analysis was conducted to justify the use of the affiliated workforce. Management

explained that it considered and planned affiliated workforce in the annual operations plan, but OIOS' review of the operations plans indicated insufficient details in this regard. While efforts had been made to reduce the number of affiliate staff, their high number continued to pose a risk of over-reliance on them.

(2) The UNHCR Representation in Turkey should strengthen human resources management by: (i) monitoring and addressing vacancy rates to ensure vacancies are filled in a timely manner; (ii) developing further criteria and guidance to managers to ensure transparency of the on-going staff restructuring exercise; and (iii) conducting a cost-benefit analysis on the use of affiliated workforce.

UNHCR accepted recommendation 2 and stated that the Representation had developed tools to follow up on the progress of recruitment actions. There was regular interaction between the human resources management team, senior management and managers of positions. The Representation further stated that during the planning process for 2019, criteria and guidance on the restructuring exercise were explained to the managers through discussions and presentations and their feedback was considered. The same process was being repeated in the on-going planning process for 2020. Recommendation 2 remains open pending receipt of: (i) an update on vacancy rates with evidence of reduced use of affiliated workforce arrangements; (ii) a copy of the guidelines for the restructuring process; and (iii) a copy of the cost-benefit analysis on the use of affiliated workforce.

D. Procurement and vendor management

There was a need to enhance the evaluation of vendor performance to achieve economy and efficiency

22. The Representation issued 1,415 purchase orders valued at \$64 million during the audit period. OIOS reviewed 25 purchase orders and related contracts and frame agreements totalling \$16 million (representing 25 per cent of the total procurement in the period) and minutes of the 11 Local Committee on Contracts meetings held during the period. The review indicated that the Representation submitted on a timely basis all cases above the stipulated thresholds to the relevant committees on contracts for review.

23. The Representation prepared procurement plans for both 2018 and 2019. However, the 2018 procurement plan did not consider the needs of urban refugees, cross-border requirements and procurement designated to partners. Although the Representation made improvements in the 2019 planning process and prepared a more comprehensive procurement plan, procurements made towards government support activities were still not exhaustively included in the plan.

24. One large procurement case related to recruitment services for a project for verification of Syrian refugees at a total cost of \$40 million was conducted without the expected transparency and competition. This case accounted for 21 per cent (\$13.4 million) of the total procurement value in the audit period. This issue is discussed in more detail under Section E of this report.

25. The Representation had established a Vendor Review Committee which convened to discuss and approve the registration of new vendors. In April 2019, the Representation reviewed its vendor database with a view to cleaning and updating it and, as at the time of the audit, it was in the process of deleting identified duplicate vendor accounts. However, the Representation evaluated vendors' performance only prior to contract extensions even though a performance evaluation was required for all contracts above \$4,000. It explained that informal feedback was communicated to vendors during contract implementation, but not documented. It further informed OIOS that it had key performance indicators (KPIs) for large contracts and used them to measure their performance on a monthly basis. However, for the contract for the verification of Syrians, discussed above, while the number of interviews conducted per day was the

main driver for the cost of the project, the frame agreement with the vendor did not include any KPIs. Significant delays and additional costs were incurred on this project, which might have been identified earlier if adequate KPIs had been in place and used for managing the contract.

(3) The UNHCR Representation in Turkey should implement a mechanism to systematically evaluate and document the performance of vendors and include relevant key performance indicators for monitoring progress and performance of high-value contracts.

UNHCR accepted recommendation 3 and stated that the Representation had developed a mechanism to systematically evaluate and document the performance of vendors whose contracts were more than \$4,000 as required. In addition, it had started conducting a biannual vendor evaluation of vendors whose contracts were more than \$500,000. It provided documentary evidence of: (i) a system adopted to regularly provide feedback on KPIs to major vendors during the contract implementation period; and (b) copies of reports of annual performance reviews of two vendors. Based on the documentary evidence received from UNHCR, recommendation 3 has been closed.

E. Fair protection process and documentation

There was a need to finalize and endorse the report on the verification project and the strategy on continuous registration support

26. The Representation provided technical expertise and resources to support DGMM in their registration and international protection procedures. This included the development and implementation of a joint verification exercise of Syrian refugees, which verified some 2.7 million persons between January 2017 and February 2019, and introduced protection desks for identifying and referring persons with special needs and vulnerabilities.

27. The verification exercise of Syrian refugees was done based on a joint declaration of intent between DGMM and UNHCR dated 1 July 2016, which outlined the purpose of the project, the procedures of verification, and the roles and responsibilities of both parties. From 2016 to 2018, the Representation disbursed \$43.8 million on related activities, i.e. \$36.7 million (84 per cent) through direct implementation and \$7.1 million (16 per cent) through PPAs established with DGMM. The cost of the project significantly increased mainly due to the level of auxiliary project staff recruited by UNHCR through an external human resources company. From an initial contract amount of \$9.8 million, which could be extended for a further two years starting on 21 October 2016, there was an increase to \$29.9 million in September 2017 running until 31 January 2019. In December 2018, the contract value further increased to \$40.6 million running until 20 October 2019 to support the continuous registration activities. This meant an overall cost increase of 314 per cent over the period of just over two years.

28. The Representation explained that after eight months into the project, there were several technical and other difficulties with its implementation, such as poor internet connectivity in some provinces, increased complexity of DGMM process flows, insufficient number of facilities to accommodate registration centres, and the need to increase staff in the protection desks. In OIOS' opinion, some of these issues could have been anticipated with better technical and operational assessments feeding into the planning. In practice, the ambitious overall target of interviews per caseworker was reduced from 50 individuals per day to 25, and the contract amount increased as the respective duration also extended.

29. Even though the Headquarters Committee on Contracts (HCC) had approved the procurement for the recruitment of auxiliary project staff, OIOS noted shortcomings in the procurement process hindering effective competition and the ability of the Representation to demonstrate it received value for money from

the contract. For example, the Representation did not advertise the tender for a long enough period, considering the complexity of the contractual requirements. As a result, four vendors responded within the deadline for submission of offers with only two of them meeting the technical requirements. Also, the Representation defined up-front the salary scales of staff to be recruited and the basis that it used for the levels established, which could have led to the payment of salaries higher than the market. These aspects were replicated by the Representation in a new procurement exercise that it undertook after the audit to extend the provision of recruitment services beyond 20 October 2019 (which led to the award of a new frame agreement approved by HCC on 18 October 2019 for a maximum amount of \$42.5 million and a duration of up to three years). Additionally, the involvement of a department of the Government in the technical evaluation of vendors' offers was questionable to OIOS from a process integrity point of view. While raising an audit recommendation on this specific procurement would not add value as the new 3-year frame agreement is already in place, OIOS strongly encourages the Representation to enhance its procurement process to address the gaps noted above in the future.

30. The Representation was yet to finalize a report with the results of the project vis-a-vis its objectives, costs, key risks, challenges, impact, good practices, lessons learned, and the level of proficiency and sustainability achieved, as well as its applicability to registration procedures for POCs of nationalities other than Syrian. Such an analysis would be important to inform the extent and nature of support still required from UNHCR for more targeted planning and effective cost management.

31. After the audit, the Representation drafted a 'UNHCR Strategy on Capacity Development and Prioritization 2020-2022' as a phase down strategy for continuous registration support. This open-ended three-year strategy foresaw the full withdrawal of support for security and cleaning staff in two years (total of 399 staff) and a reduction of 30 per cent in the number of registration and protection staff (from 500 to 350 staff). However, it depended on the collection of regular registration performance data from DGMM/Provincial Directorates of Migration Management (PDMMs), which remained a challenge owing to lack of data exchange protocols with the Government. The strategy had also not been approved by senior management in the Representation, nor discussed and agreed with DGMM.

32. OIOS identified \$14.8 million worth of purchase orders issued by the Representation from 1 January 2016 to 30 June 2019 for the acquisition of data collection equipment, security equipment, computers, software, furniture and other items delivered to DGMM or to PDMMs for the verification exercise and/or continuous support and registration activities. While the Representation provided copies of transfer of ownership agreements that formalized the donation of \$9.4 million worth of equipment to DGMM, OIOS was not provided with documentation for \$4.8 million worth of items. Most of these items were consumables and software and software licenses, which the Representation considered were not required to be transferred formally (i.e., through transfer of ownership agreements). Instead, it used delivery notes that were signed by DGMM or PDMMs staff, as evidence that they had received the consumables. Nonetheless, this was in contravention with the High Commissioner's Policy and Procedures for Asset Management Boards, which required that consumables and intangible assets were subject to transfer of ownership after adequate decision by the required Asset Management Board(s). After the audit, the Representation initiated action in this regard.

(4) The UNHCR Representation in Turkey should finalize and endorse the report on the verification project taking into consideration the achievements and lessons learned, as well as the strategy as to whether UNHCR should maintain its continuous support to the host Government in registration activities at the same level or gradually phase it out.

UNHCR accepted recommendation 4 and stated that the Representation had finalized and endorsed the verification report, including the aspect related to the transition toward continuous registration. Furthermore, the Representation had revised and endorsed the strategy highlighting the support to

DGMM for the continuous registration, including gradual phase-out. This strategy now included targets and KPIs for 2020, following agreement with DGMM. UNHCR also forwarded to OIOS copies of the final verification report and the UNHCR Strategy on Registration Support. Based on the documentary evidence received from the Representation, recommendation 4 has been closed.

F. Security from violence and exploitation

The Representation's controls over security from violence and exploitation were satisfactory

33. During the audit period, the Representation's protection strategy prioritized the objective of supporting the capacity of the national social protection system to respond to situations of violence and exploitation of the refugees and asylum seekers. To achieve the objective, it took initiatives such as: (i) adopting a comprehensive strategy for advocating for the rights of PoCs; (ii) providing technical support and building capacity of the relevant Government institutions, (iii) providing legal assistance to survivors of sexual and gender based violence (SGBV), (iv) initiating community mobilization and raising awareness on SGBV and child protection risks; and (v) supporting efforts for improving the peaceful coexistence between refugees and host communities. As per its Key Indicator Report for 2018, the Representation had achieved its targets; for example, it reported a higher performance than the target for the indicator 'number of reported SGBV cases for which survivors received psychological counselling', i.e., 9,547 cases against a target of 9,000 in respect to refugees from Syria and 2,134 cases against a target of 2,000 in respect to refugees and asylum seekers in urban settings.

34. The Representation also provided protection support in terms of legal, medical, psychosocial, cash and non-cash assistance to 4,191 survivors of SGBV in 2018 and 959 survivors of SGBV in 2019. In 2018, the Representation provided seven training sessions on SGBV, specifically on the identification of specific needs, to the staff of 14 partners involved in SGBV response. In view of the measures taken by the Representation to improve the security of PoCs from violence and exploitation, OIOS concluded that the controls over security from violence and exploitation were satisfactory.

G. Cross-border operations

There was a need to strengthen controls over cross-border operations

35. United Nations agencies and their partners were mandated to arrange emergency humanitarian assistance for IDPs in Syria through four border crossings in Jordan and Turkey. In 2016, the Regional Bureau for MENA revised its Guidance on Implementation and Management of the Syria Cross-Border Operations 2015-2017 (the Guidance). This Guidance stipulated that UNHCR cross-border teams in Gaziantep and Amman were responsible for the implementation of the operations and management of partners while budget and programme support would be provided by the Office of the Director of the Regional Bureau in Amman. In 2018, the Representation's cross-border team in Gaziantep supported a population of 3.9 million with an IDP population of 1.8 million and incurred an expenditure of \$10.9 million.

36. Reporting lines and accountability were not clear to the cross-border team in Gaziantep. The cross-border team was exercising two different types of functions: the coordination of three clusters (Protection, Camp Coordination and Camp Management, and Shelter/Non-Food Items); and the implementation of UNHCR operations in the areas in northwest Syria. The Cross-Border Coordinator and his three staff members reported to the Deputy Representative of the Turkey operations, whereas the staff from protection and shelter and non-food items cluster units reported directly to the Regional Bureau for MENA. The Cross-Border Coordinator only had a consultative and advisory relationship with the cluster coordinators.

Furthermore, as per the interim organization chart of cross-border operations dated July 2019, six of 16 positions were vacant (37 per cent vacancy rate). After the audit, the Representation revised its organization structure to bring all the cross-border staff under the reporting line of the Cross-Border Coordinator who would report to the Deputy Representative for day to day management and to the Deputy Director of the Regional Bureau for MENA for cross-border operations.

37. UNHCR vulnerability criteria were not consistently applied by partners to assess the needs of beneficiaries. As a result, criteria adopted in standard operating procedures (SOPs) developed by two partners involved in distributing non-food items were different. For example, one partner considered a family with four children as vulnerable, while the other regarded a family with six children as vulnerable. Similarly, one of the partners did not include elderly persons and unaccompanied children in the definition of vulnerability.

38. In September 2017, the Representation hired a service provider to carry out third-party monitoring at a total cost of \$636,180 for three years, and by December 2018, it had paid \$209,872 to the service provider. The terms of reference of the contract required the service provider to conduct monitoring by various techniques, including the review of the partners' documentation, physical checks, direct observation, completion of technical checklists, and conduct of household interviews and focus group discussions. However, the third-party monitoring reports reviewed by OIOS mostly presented results of beneficiary satisfaction surveys. There was no evidence that other monitoring activities were carried out as required. Also, OIOS review of supporting documents related to the third-party monitoring report on a partner who repaired shelters in north-west Syria indicated some bias as 6 of the 12 survey questions had only three options: "satisfied, highly satisfied and neutral". Since there was no option of selecting 'dissatisfied', 117 of the 120 beneficiaries (98 per cent) opted for 'neutral' on a question about the overall quality of work. Likewise, 112 of the 120 beneficiaries (93 per cent of the sampled population) chose 'neutral' for a question about the quality of flooring. This raised doubts about the objectivity and impartiality of the third-party monitoring survey. The Representation had not established a procedure to verify whether the third-party monitoring reports met the criteria agreed as per the contract before making payments to the service provider.

39. Consequently, the cross-border operations were exposed to the risks of non-achievement of the mandate assigned by the United Nations Security Council and inadequate support and assistance to the beneficiaries.

(5) The UNHCR Representation in Turkey should, in coordination with the UNHCR Regional Bureau for the Middle East and North Africa, strengthen controls over cross-border operations by: (i) ensuring adequate staffing; (ii) sharing vulnerability criteria with the partners; and (iii) setting up a review mechanism for the adequacy of the third-party monitoring reports.

UNHCR accepted recommendation 5 and stated that the Representation had updated reporting lines and accountability mechanism for the cross-border operations. The process for recruitment of staff against vacant positions had been initiated and, for the time being, majority of the posts were filled through hiring temporary staff. The Representation also provided copies of the updated SOPs of partners with improved vulnerability criteria and updated third-party monitoring tool to ensure adequate third-party monitoring of cross-border operations. Recommendation 5 remains open pending receipt of confirmation of hiring of staff on vacant positions.

H. Resettlement

There was a need to adequately document resettlement case decisions, implement procedures for review of long pending cases, and strengthen the documentation of physical files

40. The Representation submitted 16,042 persons for resettlement in 2018 and 8,389 persons in 2019 (as of May 2019), which was 87 and 42 per cent respectively of its targets of 18,500 and 20,000 persons for each year. Approximately 76 per cent of the submissions were for Syrian refugees. The average processing length (from identification to submission of cases) was 273 days, with 80 per cent of cases being submitted in an average of 181 days. The Government was conducting registration of Syrians and making referrals to UNHCR to consider their resettlement. For other nationalities, until 10 September 2018, the Representation relied on internal referrals (e.g. from the RSD and Protection Units) and on those received from partners and followed the standard Resettlement Registration Form process. For Syrian refugees, the Representation used an Identity Based Methodology agreed between the Regional Bureau for MENA, the Division of International Protection (DIP) and (most) resettlement countries for this caseload (a two-step process comprising a case identification phone interview, followed by a face-to-face interview and simplified forms). After 10 September 2018 and following consultation with Bureaux and DIP, the Representation started implementing a Unified Case Processing Methodology, whereby it extended the two-step assessment to resettlement referrals of all nationalities.

41. In 17 cases reviewed, OIOS noted that the respective files omitted the reasons for the referrals or vulnerability/protection assessments. The Representation prioritized cases based on submission categories and resettlement countries' specific criteria, while caseworkers and reviewers made their assessments on a case by case basis. In view of limited quotas for resettlement, the need to ensure that refugees were provided with fair access to resettlement and the need to demonstrate accountability in the assessment and decision of referrals submitted by the Government were not adequately demonstrated.

42. As at June 2019, the Representation had a total of 39,207 persons pending resettlement processing or with cases on hold for more than 180 days. A total of 11,807 persons or 30 per cent were pending case assessment, 2,176 persons or 6 per cent were pending submission, 2,878 or 7 per cent were pending departure, 4,906 or 13 per cent were on hold, and for 814 or 2 per cent the reason was not specified. The Resettlement Unit provided explanations for the reasons the cases were pending or on hold for a sample of 14 cases selected by OIOS, which included low priority cases, a case submitted to the resettlement country without a response since 2008, cases left on hold due to refugees not being contactable or not willing to be resettled, a case pending review by the Regional Bureau for MENA, wrong event codes in proGres, etc. Even though the Resettlement Unit informed that it was conducting reviews of pending cases on a weekly basis, OIOS did not see such reviews documented. The resettlement SOP also did not define procedures for the reviews, except for high-needs cases pending submission and annual reviews of de-prioritized cases.

43. The Representation registered a high level of resettlement withdrawals, in total of 6,169 cases or 31,611 persons from January 2018 to June 2019. Roughly 3 per cent of the cases were withdrawn after the submission and another 3 per cent were withdrawn after resettlement countries had accepted their cases. OIOS acknowledges that circumstances in the refugees' lives change during the long processing of cases. However, it was important that the Resettlement Unit ensured adequate counselling to adequately manage expectations of the different stakeholders, to minimize operational costs to UNHCR and resettlement countries, to minimize any adverse impact on the level of quotas, and to avoid missed opportunities for other refugees in need of resettlement. In seven cases of withdrawals that OIOS reviewed, counselling was not adequately documented. Counselling checklists available were also not systematically filled and included in the files reviewed.

44. The Resettlement Unit registered biodata and family composition data in proGres and assessed the status eligibility of resettlement applicants, functions normally segregated to Registration and RSD Units, respectively. To mitigate risks of unauthorized changes to data, the Senior Resettlement Officer had started in 2019 to conduct monthly reviews of changes to names and photos, implement sporadic assessments of resettlement interviews by different responsible staff, and implement the recording of case identification interviews.

45. In the 17 cases reviewed, OIOS observed that the physical resettlement files generally did not document: (i) protection interventions by the Protection Unit which could feed relevant information into resettlement processing; (ii) protection referrals made from the Resettlement Unit to the Protection Unit; and (iii) approvals of submissions including the selection of countries for submission and the names and functional titles of the approvers. Also, the files did not systematically include the final versions of the Identity Based Methodologies and Resettlement Registration Forms, but instead several intermediate versions of those forms. The action sheets: (i) were not updated systematically and legibly, (ii) did not include all stages of the process (e.g. departures); and (iii) did not include the names and titles of staff responsible for the actions, but just their initials.

46. The Representation conducted fraud risk assessments and had implemented fraud prevention and detection measures, which included: SOPs for addressing fraud; designation of a Fraud Focal Point; establishment of a pool of investigators and a Fraud Assessment Panel to deliver investigations and decisions on fraud, respectively; fraud training; and establishment of channels to receive complaints.

(6) The UNHCR Representation in Turkey should strengthen controls over resettlement by: (i) documenting the resettlement case decisions; (ii) defining and implementing systematic procedures for the review of pending cases and making decisions on the long-pending ones; and (iii) ensuring adequate documentation of physical resettlement files and their consistency with electronic records.

UNHCR accepted recommendation 6 and submitted a sample of recently completed Review and Decision Forms that documented resettlement case decisions. It further submitted a draft of the updated resettlement SOP with inclusion of systematic procedures for the review of long-pending cases and a plan for improvement of documentation of physical files and their consistency with electronic records. Recommendation 6 remains open pending receipt of documentary evidence of: (i) the implementation and circulation of the resettlement SOP among the concerned staff; and (ii) completion of electronic document capture of all active, inactive and closed resettlement files as per the Representation's plan to address the inconsistencies between electronic and physical files.

IV. ACKNOWLEDGEMENT

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

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

STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	The UNHCR Representation in Turkey should review and strengthen its control processes over partnership management by: (i) ensuring project partnership agreements are signed in a timely manner; and (ii) aligning the frequency and scope of monitoring of partners with the project risks identified.	Important	O	Submission to OIOS of: (i) evidence that the 2020 PPAs were signed in a timely manner; and (ii) copies of recent reports on financial and performance monitoring conducted, aligned with the project performance monitoring plan and demonstrating focus on the project risks identified and sufficient coverage of partner procurement activities.	31 January 2020
2	The UNHCR Representation in Turkey should strengthen human resources management by: (i) monitoring and addressing vacancy rates to ensure vacancies are filled in a timely manner; (ii) developing further criteria and guidance to managers to ensure transparency of the on-going staff restructuring exercise; and (iii) conducting a cost-benefit analysis on the use of affiliated workforce.	Important	O	Submission to OIOS of: (i) an update on vacancy rates with evidence of reduced use of affiliated workforce arrangements; (ii) a copy of the guidelines for the restructuring process; and (iii) a copy of the cost-benefit analysis on the use of affiliated workforce.	30 June 2020
3	The UNHCR Representation in Turkey should implement a mechanism to systematically evaluate and document the performance of vendors and include relevant key performance indicators for monitoring progress and performance of high-value contracts.	Important	C	Action completed	Implemented
4	The UNHCR Representation in Turkey should finalize and endorse the report on the verification project taking into consideration the achievements and lessons learned, as well as the strategy as to whether UNHCR should maintain its continuous	Important	C	Action completed	Implemented

² 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.

³ 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.

⁴ C = closed, O = open

⁵ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	support to the host Government in registration activities at the same level or gradually phase it out.				
5	The UNHCR Representation in Turkey should, in coordination with the UNHCR Regional Bureau for the Middle East and North Africa, strengthen controls over cross-border operations by: (i) ensuring adequate staffing; (ii) sharing vulnerability criteria with the partners; and (iii) setting up a review mechanism for the adequacy of the third-party monitoring reports.	Important	O	Submission to OIOS of documentary evidence of hiring of staff on vacant positions in the cross-border operations team.	31 December 2020
6	The UNHCR Representation in Turkey should strengthen controls over resettlement by: (i) documenting the resettlement case decisions; (ii) defining and implementing systematic procedures for the review of pending cases and making decisions on the long-pending ones; and (iii) ensuring adequate documentation of physical resettlement files and their consistency with electronic records.	Important	O	Submission to OIOS of documentary evidence of: (i) the implementation and circulation of the resettlement SOP among the concerned staff; and (ii) the completion of electronic document capture of all active, inactive and closed resettlement files as per the Representation's plan to address inconsistencies between electronic and physical files.	31 December 2020

APPENDIX I

Management Response

MANAGEMENT RESPONSE

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

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Turkey should review and strengthen its control processes over partnership management by: (i) ensuring project partnership agreements are signed in a timely manner; and (ii) aligning the frequency and scope of monitoring of partners with the project risks identified.	Important	Yes	Assistant Representative (Operations)	January 2020	UNHCR accepted the recommendation 1 and stated that in order to do risk assessment and determine the frequency of monitoring per partner, it used the UNHCR toolkit for Risk Based Monitoring and Control. After providing the relevant information and selecting the relevant risks per partner in the Risk Assessment Form, the Form automatically rated the overall risk of each partner in 2018 as “medium” and automatically provided the recommended at least two on-site PFR verification and one performance verification per partner. In line with this, UNHCR Turkey’s Project Performance Monitoring Plans per partner reflected the same consistency. However, that the plans are indicative, and the actual performance monitoring conducted can be different from the Project Performance Monitoring Plans. For example, 16 field monitoring visits and four financial verifications were conducted in respect of the partner with the highest budget and risk referred to in the report.
2	The UNHCR Representation in Turkey should strengthen human resources management by: (i) monitoring and addressing vacancy rates to ensure vacancies are filled in a timely manner; (ii) developing clear and comprehensive criteria and providing guidance	Important	Yes (if due consideration is made on the Representation comments through re-wording of the part (ii) and (iii))	Senior Human Resource Officer	June 2020	(ii) The Representation cannot accept the current wording of this part of the recommendation. Criteria and guidance were provided and are made available. The Representation would suggest to re-formulate to say that criteria and guidance need to be further developed. (iii) This would need clarification whether it refers to staff under Temporary Appointments or Affiliated Work Force.

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

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

MANAGEMENT RESPONSE

Audit of the operations in Turkey 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
	to managers to ensure transparency of the on-going staff restructuring exercise; (iii) ensuring compliance with the mandatory breaks in service of the temporary staff; and (iv) conducting a cost-benefit analysis on the use of affiliated workforce.		of the recommendation)			<p>The Representation insists it ensured full compliance with mandatory breaks in service in respect of staff under TA.</p> <p>As regards Affiliated Work Force, the reference to compliance with mandatory breaks of service does not seem to be adequate and should be removed (as agreed by OIOS in the disposition table).</p>
3	The UNHCR Representation in Turkey should implement a mechanism to systematically evaluate and document the performance of vendors and include relevant key performance indicators for monitoring progress and performance of high-value contracts.	Important	Yes	Senior Supply Coordinator	December 2019 - completed	<p>UNHCR accepted recommendation 3 and stated that the Representation had developed a mechanism to systematically evaluate and document the performance of vendors whose contracts were more than \$4,000 as required. In addition, it planned to conduct a biannual vendor evaluation of vendors whose contracts were more than \$500,000. It provided documentary evidence of a system adopted to regularly provide feedback on KPIs to major vendors during the contract implementation period.</p> <p>On December 2019, the Representation shared the vendor review forms for 2 important vendors (one for services and one for goods).</p>
4	The UNHCR Representation in Turkey should finalize and endorse the report on the verification project taking into consideration the achievements and lessons learned, as well as the strategy as to whether UNHCR should maintain its continuous support to the host	Important	Yes	Senior Protection Officer	December 2019 - Completed	The Representation has finalised and endorsed the verification report, including the aspect related to the transition toward continuous registration. Furthermore, the Representation has revised and endorsed the strategy highlighting the support to DGMM for the continuous registration, including gradual phased-out. This strategy is now including targets and key performances indicators for 2020, following agreement with DGMM.

MANAGEMENT RESPONSE

Audit of the operations in Turkey 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
	Government in registration activities at the same level or gradually phase it out.					
5	The UNHCR Representation in Turkey should, in coordination with the UNHCR Regional Bureau for the Middle East and North Africa, strengthen controls over cross-border operations by: (i) ensuring adequate staffing; (ii) sharing vulnerability criteria with the partners; and (iii) setting up a review mechanism for the adequacy of the third-party monitoring reports.	Important	Yes	Senior Cross-border Coordinator	(i) April 2020 (ii) December 2020 – completed (iii) December 2020 - completed	<p>(i) The Representation advertised 4 Cluster Coordination positions in the Cross-Border operation in the Addendum 3 to the September 2019 Compendium (dd 11/12/2019). Previously, the Associate IMO Officer position was advertised in the Addendum 5 to the March 2019 Compendium (dd 15/08/2019). Recruitment process is ongoing.</p> <p>(ii) The Representation standardized the vulnerability criteria in basic need distributions partner SOPs.</p> <p>The Vulnerability criteria adopted by the Protection Cluster based on UNHCR vulnerability criteria.</p> <p>SOPs for the two distribution partners and a newly partnered local NGO are shared.</p> <p>(iii) The Representation met with the third-party monitoring service provider on 26 September in Ankara to discuss points that required improvement as per the auditors' recommendations. It was agreed in that meeting that the monitoring activities will focus more on partner performance and the activities, and the third-party monitoring reports will reflect it properly.</p> <p>* Current monitoring tools will be revised accordingly.</p> <p>* All options on satisfaction/dissatisfaction will be reflected in the reports and the tools.</p>

MANAGEMENT RESPONSE

Audit of the operations in Turkey 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>*The service provider is expected to submit a new reporting format before next monitoring mission.</p> <p>In October the shelter rehabilitation tool was revised; emails attached.</p> <p>UNHCR will continue with other sector third party monitoring tools reviews and revisions.</p>
6	The UNHCR Representation in Turkey should strengthen controls over resettlement by: (i) documenting the resettlement case decisions; (ii) defining and implementing systematic procedures for the review of pending cases and making decisions on those long-pending; and (iii) ensuring adequate documentation of physical resettlement files and their consistency with electronic records.	Important	Yes	Senior Resettlement Officer	December 2020 - completed	<p>(i)The operation provided samples of attached Review and Decision form where caseworker, reviewer and team leader can document the decision taken to submit or not submit, which country and the reason of decision.</p> <p>ii) As demonstrated to OIOS, the Representation utilises tools developed at Headquarters to reduce long pending cases. Additionally, the Representation also updated its SOP to reflect the use of this tool.</p> <p>iii) The Representation agrees that not all documentation is on the physical file and there are occasions where there is inconsistency between the physical file and proGres, particularly for older cases. In order to address this recommendation, the Representation has implemented short term measures to retroactively provide some key documents from 2018 to present, remind staff regarding the need to keep physical file updated. In the long term, the Representation is considering the digitization of individual case files in order to better align all electronic data as well as documentation from persons of concern.</p>

MANAGEMENT RESPONSE

Audit of the operations in Turkey 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>Plan and timelines of these are attached.</p> <p>With these addressed, the Representation considers it closed.</p>