



## **INTERNAL AUDIT DIVISION**

### **REPORT 2020/005**

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#### **Audit of the operations of the Office for the Coordination of Humanitarian Affairs in Iraq**

**While coordination was adequate at the national, regional and governorate levels, the Iraq country operations needed to advocate for upgrading health and education facilities in camps as part of durable solutions**

**8 April 2020**

**Assignment No. AN2019-590-03**

# **Audit of the operations of the Office for the Coordination of Humanitarian Affairs in Iraq**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of the operations of the Office for the Coordination of Humanitarian Affairs (OCHA) in Iraq. The objective of the audit was to assess whether the OCHA Iraq Office delivered its mandate in an efficient and effective manner, in line with OCHA's strategic objectives. The audit covered the period from 1 January 2018 to 30 September 2019 and included: (a) coordination of the humanitarian response in Iraq; (b) management of the Iraq Humanitarian Fund (IHF); and (c) management of staff and other resources allocated to the OCHA Office in Iraq.

At the time of the audit, the national coordination structure for humanitarian activities in Iraq was working as intended. The governance structure for the IHF was also adequate, with a risk management framework in place. However, improvements were needed in areas such as: providing health and education facilities in camps that are likely to remain active for longer durations; allocating grants to national non-governmental organizations to develop their capacity; reviewing arrangements for conducting forensic audits; and human resources management.

OIOS made seven recommendations. To address issues identified in the audit:

OCHA Iraq needed to:

- Advocate for the upgrading of health and education facilities in camps that are likely to remain active for longer duration, as part of durable solutions;
- Implement measures to ensure all staff undertake the required mandatory training courses and set a target date for their completion;
- Review additional actions needed to recruit more female candidates at the national level to improve gender parity;
- Conduct a simulation of its business continuity plan to test the validity of the plan in ensuring continuity of operations in the event of disruption from unforeseen adverse events; and
- Implement measures to ensure female staff members who take frequent field trips undergo the Women's Security Awareness Training as required by the area security risk assessment.

OCHA needed to:

- Provide guidance on the use of the consortium approach in allocating grants to national non-governmental organizations consistent with the Grand Bargain commitment on localization; and
- Review the procedures for commissioning forensic audits and estimate the standard timeframes in which forensic audits should be completed.

OCHA accepted the recommendations, implemented one of them and initiated action to implement the remaining.

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# Audit of the operations of the Office for the Coordination of Humanitarian Affairs in Iraq

## I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the operations of the Office for the Coordination of Humanitarian Affairs (OCHA) in Iraq.

2. The humanitarian crisis in Iraq was declared an Inter-Agency Standing Committee (IASC) Level 3 (L3) emergency in June 2014 and that designation held until the end of 2017. The activation was in response to the massive humanitarian needs arising from the military conflict in Iraq. Since the end of hostilities in 2017, almost 4 million internally displaced persons (IDPs) have returned to over 1,400 areas of origin across 35 districts and 7 governorates of Iraq. Currently, more than 1.8 million IDPs remain displaced, of which over half have been displaced for more than three years. There are also 6.7 million people in need of humanitarian assistance. Whereas the OCHA-coordinated humanitarian response plans (HRPs) in prior years had focused on the immediate lifesaving needs of those fleeing the military conflict, in 2018, the response shifted into a post-conflict transition phase focused on addressing the needs of IDPs, returnees and vulnerable host communities living in areas heavily impacted by the armed conflict.

3. The 2019 HRP sought \$701.2 million to support vital humanitarian actions under three strategic objectives: (a) post-conflict transition towards durable solutions; (b) ensuring the centrality of protection; and (c) strengthening contingency planning and preparedness. As of September 2019, \$287.5 million or 41 per cent of the HRP had been received. Table 1 presents the trend of HRP requirements along with their funding from 2017 to 2019.

Table 1

**Humanitarian Response Plan requirements and funding (in millions of United States dollars)**

	2017	2018	2019
Total requirements	984.6	568.7	701.2
Funding received (as of September 2019)	942.0	516.3	287.5
Percentage funded	96%	91%	41%

4. OCHA has been present intermittently in Iraq since 2003. In June 2014, OCHA reopened its country office in Iraq to meet the existing and emerging coordination needs throughout the country. OCHA maintains an agile and strategic footprint in Iraq, with its main office in Baghdad, regional office in Erbil and four field sub-offices for Duhok, Ninewa, Mosul and Kirkuk, as well as a dynamic presence in Anbar, Salah Al-Din and Sulaymaniyah. OCHA is also looking at establishing local presence in Sinjar/Ninewa and Ba'aqubah/Diyala.

5. The OCHA Office has 67 authorized posts, comprising 25 internationals, including the Head of Office at the D-1 level and two Deputies at P-5, and 42 national and general service posts. At the time of audit, five professional staff, including the Head of Office, one of the two Deputies and three national officers were based in Baghdad. The other Deputy Head of Office, along with the Iraq Humanitarian Finance Unit and 39 staff were based in Erbil, while 18 were located in sub-offices across northern Iraq. The Office budget for 2019 was \$9.4 million and \$9.9 million for 2018. According to the Office's work plans, its work is focused on ensuring that the humanitarian community works together to meet the needs of people affected by the crisis. OCHA Iraq supports the Humanitarian Coordinator (HC) in his/her leadership of both strategic and operational response to the humanitarian crisis in Iraq, including, inter alia: (a) bringing together leaders of humanitarian organizations active in Iraq into the Humanitarian Country

Team (HCT) to plan and implement the response to the humanitarian crisis; (b) coordinating humanitarian assistance, as appropriate, with the Government of Iraq; (c) coordinating the work of clusters at the national and sub-national levels; (d) coordinating access mechanisms, through supporting the Humanitarian Access Working Group (HAWG); and (e) managing the Iraq Humanitarian Fund (IHF).

### Iraq Humanitarian Fund

6. The IHF (formerly called the Iraq Humanitarian Pooled Fund) is a pooled fund led by the HC and managed by OCHA. Established in June 2015, the IHF is one of the largest country-based pooled funds (CBPFs) in the world. The Fund supports emergency and life-sustaining assistance to people affected by conflicts and displacements across Iraq. Table 2 shows the funding trend from January 2017 to September 2019, while Table 3 shows the allocation by type of partner.

Table 2

#### **Iraq Humanitarian Funding Trend 2017 – 2019 (in millions of United States dollars)**

	2017	2018	2019*	Total
IHF received (as of September 2019)	85.4	57.0	23.2	165.6
Coverage (against the HRP)	8.7%	10.0%	3.3%	7.3%
Allocations	76.7	36.6	45.3	158.5

\*Up to September

Table 3

#### **Allocations by partner type from the Iraq Humanitarian Fund (in millions of United States dollars)**

	2017	2018	2019*	Total
United Nations	29.3	11.3	16.6	57.2
National NGOs**	7.0	3.1	--	10.1
International NGOs	38.6	21.0	28.7	88.3
Red Cross/Red Crescent Societies	1.8	1.1	--	2.9
<b>Total</b>	<b>76.7</b>	<b>36.6</b>	<b>45.3</b>	<b>158.5</b>

\*Up to September

\*\*Non-governmental organizations.

7. Comments provided by OCHA are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

8. The objective of the audit was to assess whether the OCHA Iraq Office delivered its mandate in an efficient and effective manner, in line with OCHA's strategic objectives.

9. This audit was included in the 2019 risk-based work plan of OIOS due to high-risk nature of OCHA operations in Iraq, including inter alia, the activity-level risks associated with the conflicts within and around the country.

10. The audit took place during August to October 2019 and was carried out in New York and Erbil. The audit covered the period from 1 January 2018 to 30 September 2019. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in the OCHA operations in Iraq, which included: (a) coordination of the humanitarian response in Iraq; (b) management of the IHF; and (c) management of staff and other resources allocated to the OCHA Office in Iraq.

11. The audit methodology included: (a) interviews of key personnel; (b) reviews of relevant documentation; (c) analytical reviews of data; and (d) sample testing of selected transactions.

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

### **III. AUDIT RESULTS**

#### **A. Coordination of the humanitarian response in Iraq**

The national coordination structure of the humanitarian response in Iraq was adequate

13. The HC is also the Deputy Special Representative of the Secretary-General for the United Nations Assistance Mission for Iraq (UNAMI). She chairs the HCT, which comprises representatives of United Nations agencies undertaking humanitarian activities in Iraq, representatives from the international and national NGOs, donors' representatives, the NGO Coordination Committee. OCHA provides secretariat services to the HCT, which meets twice a month.

14. The HCT is supported by the Inter-Cluster Coordination Group (ICCG) which is chaired by the Head of OCHA Iraq. At the time of audit, there were nine national clusters implementing the Iraq HRP. The ICCG is supported by two working groups: (a) the assessment working group (AWG) and the (b) Information Management Working Group (IMWG). The AWG supports coordinated needs assessment, harmonization of data collection and joint analysis to inform strategic and operational decisions related to the humanitarian situation in Iraq. It is very active in producing the Humanitarian Needs Overview. The IMWG contributes to the HCT and Government's collaborative efforts in the utilization of humanitarian information for more evidence-based and effective humanitarian policy, planning and managerial decisions. Recently, two new working groups were created, i.e., the Cash Working Group (CWG) and the Accountability to Affected People Working Group (AAPWG). The CWG offers a technical platform to promote a coordinated and harmonized implementation of multi-purpose cash assistance and sectoral cash-based interventions, while the AAPWG ensures that people receiving humanitarian assistance have a basic right to participate in the decisions that affect their lives.

15. The coordination mechanisms at the national level were complemented by seven sub-national ICCGs. OIOS noted that all teams and working groups had terms of reference, met regularly, and maintained formal minutes of meetings and action points for follow-up. The IASC Directors Group conducted an annual review of OCHA Iraq operations in January 2018 and confirmed that the humanitarian structure in place was working as intended except for the non-participation of the Government in most of the clusters apart from education and health. OCHA Iraq explained that inclusion of the government in the cluster architecture varied from context to context and in a large part depended on whether the government was a party to the conflict or could risk compromising the independence, impartiality and neutrality of the humanitarian response.

16. As per IASC guidance from 2006, a key responsibility of sector leads at the country level is to ensure that humanitarian actors build on local capacities and that they develop and maintain appropriate links with government and local authorities, state institutions, local civil society and other stakeholders. Such links existed through the Joint Crises Coordination Centre (JCC) and in the case of Duhok governorate, the Board of Relief and Humanitarian Affairs (BRHA). The JCC of the Kurdistan Regional Government was established in September 2014 and had network offices in Erbil, Slemani and Duhok. The JCC is mandated to coordinate all matters related to crisis management and response in the Kurdistan region. The BRHA is a governmental structure that partners with United Nations agencies, humanitarian

actors, service providers and relevant Government departments in providing assistance to the people of concern in camps and urban areas. OIOS confirmed that regular meetings are held with the BRHA. OIOS concluded that except for the variable participation of the Government, the national coordination structure for the humanitarian response in Iraq was generally adequate.

#### The sub-national inter-cluster coordination mechanism was activated at governorate level

17. The sub-national inter-cluster coordination forum comprises the head of the OCHA sub-office in the governorate, governorate cluster focal points (United Nations agencies and NGOs) and line ministry representatives. Its purpose is to coordinate humanitarian response at the field level. The forum is chaired by the head of the OCHA sub-office and reports to the ICCG. Governorate cluster focal points in the Kurdistan Region of Iraq are linked to the JCC in Erbil. OIOS met with a JCC representative who indicated that coordination had been effective especially before and during the Mosul operation when meetings were held regularly. In 2018 and thereafter, meetings between United Nations agencies and other humanitarian actors decreased from monthly or as needed to quarterly. During this period, sub-national authorities issued directives for the transfer of IDPs from camps to their areas of origin, without adequate notification to humanitarian actors, resulting in secondary displacements. Interviews with the Livelihood, Protection and Camp Management cluster leads indicated that the overall response could have been handled better if coordination and communication was more effective.

18. OCHA Iraq explained that as the response had shifted into a post-conflict transition phase, coordination arrangements had been steadily realigned with increasing decentralization of authority to Iraqi authorities at the governorate level. Thus, the frequency of meetings between local authorities and OCHA had also been adjusted. Though the meetings were not as frequent as they used to be during the L3 situation, documentation obtained from OCHA demonstrated that the BRHA in Duhok/Erbil had been present in all cluster meetings. Moreover, the HC and the concerned United Nations agencies engaged quarterly with the JCC and its governorate representatives and twice annually with the Kurdish Government around the planning, achievements and gaps in the annual HRP. In view of the explanation given, OIOS did not make a recommendation on this issue.

#### OCHA Iraq operations were peer reviewed, while the IHF was evaluated

19. In accordance with the Humanitarian Programme Cycle reference module, an operational peer review of Iraq was conducted in 2015, after the declaration of an L3 emergency in June 2014. The report made six recommendations, which had been largely implemented as appropriate.

20. In 2019, OCHA conducted an evaluation of CBPFs that were operational between 2015 and 2018, including the IHF. The purpose of the evaluation was to improve accountability and learning and to identify challenges in order to provide recommendations on how to continue to strengthen the CBPF as a funding mechanism in support of timely, coordinated and principled humanitarian responses for affected people. The overall conclusion was that the IHF had delivered operational impact in the context of a complex humanitarian crisis. It is now well managed and fit for purpose. The evaluation made three important recommendations and identified the individuals and actors responsible for their implementation. They also identified good practices as lessons learned from the running of the Fund. Based on activities already undertaken in this area, OIOS did not make any recommendation.

#### OCHA Iraq should advocate for upgrading of health and education facilities as part of durable solutions

21. The 2019 HRP for Iraq included provisions for contributing to the durable solutions framework for Iraq, which includes local integration of IDPs, return to areas of origin and resettlement to a third location. The HCT also elaborated both the linkages and the boundaries of the support the humanitarian system may

provide towards durable solutions. This was in line with the Secretary-General's report on repositioning the United Nations development system to deliver on the 2030 Agenda (A/72/124), which states that sustainable and inclusive development is the best tool for building resilience, preventing crises and ensuring respect for human rights are a lived experience and for sustaining peace. However, the durable solutions framework did not include advocating for the upgrading of existing facilities. For example, representatives of the Health and Education clusters cited the lack of long-term medical facilities, such as X-ray machines and laboratory facilities, requiring IDPs to be referred to hospitals outside the Shekhan camp, and the lack of permanent school structures to cater to primary educational needs. The latest survey of the camp population revealed that 92 per cent of the adult population were not willing to go back to their areas of origin due to political and religious reasons. The camp management further indicated that 80 people who voluntarily left the camp in 2017 later came back due to lack of basic facilities in their area of origin. Therefore, there may be a need to house IDPs in camps for longer durations.

**(1) OCHA Iraq should, in conjunction with cluster leads and the respective governorates, advocate for the upgrading of health and education facilities in camps that are likely to remain active for longer duration.**

*OCHA accepted recommendation 1 and stated that upgrading of health and education facilities had been incorporated in the Iraq HRPs from 2018 to 2020. Recommendation 1 remains open pending receipt of evidence of concrete steps taken to advocate for the upgrading of health and education facilities.*

## **B. Management of the Iraq Humanitarian Fund**

The IHF governance structure was adequate and OCHA Iraq established a communications strategy and action plan for resource mobilization

22. The HC, supported by the Head of OCHA Iraq and the Iraq Humanitarian Financing Unit (IHFU), is responsible for the overall management and oversight of the fund.

23. The IHF has a two-tier governance structure: (a) an advisory board that supports the HC to steer the strategy and oversee the performance of the IHF, and (b) two review committees responsible for strategic and technical review of project proposals. Final decision-making rests with HC, who is also the chair of the advisory board. The advisory board had terms of reference, met regularly as scheduled and prepared a matrix of follow-up points. The audit team observed one of the advisory board meetings held in September 2019. The agenda for the meeting was circulated including prior minutes and action points for comments. OIOS concluded that the governance structure of the IHF was adequate and operating effectively.

24. In 2018, 13 Member States contributed to the IHF, while in 2019, this decreased to 8. As shown in Table 2, overall contributions to the Fund decreased from \$85.4 million in 2017 to \$57 million in 2018. At the time of the audit in September 2019, \$23.6 million had been received against the 2019 HRP but OCHA Iraq noted that in the past, a significant portion of the funds was received in the second half of the year. OIOS review of four donor agreements indicated that the contributions were not restricted, which gave management flexibility in using the funds to support the HRP priorities. Although OCHA Iraq did not have a dedicated resource mobilization strategy, it prepared a communications strategy and a series of action plans that covered the period from mid-2017 to the end of 2019 and were linked to the HRP. This mitigated the need for a dedicated strategy; therefore, OIOS did not make a recommendation on the issue.



### There was a need for OCHA to provide guidance on the use of the consortium approach

25. As at 30 September 2019, a total allocation of \$158.5 million had been issued from IHF, including \$76.5 million allocated during 2017 and \$36.6 million in 2018. The 2017 and 2018 allocations funded 216 projects executed by nine United Nations agencies and 108 implementing partners comprising: international NGOs, national NGOs and the Red Cross and Red Crescent Societies; with each group receiving on average 36, 53, 9 and 2 per cent, respectively.

26. Due to challenges such as alleged fraud and mismanagement of funds, the IHF decided not to make any direct allocations to national NGOs in the first standard allocation of \$45.3 million in 2019. Rather, it used a consortium approach, whereby funds were allocated to United Nations agencies and international NGOs, who in turn engaged national NGOs as implementing partners. This approach served as a good starting point for improving the capacity of national NGOs in Iraq. However, it raised some concerns, including: that it did not contribute to the Grand Bargain commitments on localization<sup>1</sup>; the 7 per cent programme support cost were not being shared with national NGOs; and short-term partnerships with international NGOs made it difficult to build the capacity of national NGOs effectively. These concerns were highlighted in the IHF evaluation report of August 2019. To reduce the impact of some of these concerns, the consortium lead agencies<sup>2</sup> were encouraged to share a proportion of the programme support costs with consortium members, while national NGOs were encouraged to budget for all operational costs.

27. However, as OCHA currently does not have a corporate policy for the consortium approach, individual CBPFs may develop their own strategies for dealing with national NGOs, which may not be consistent.

**(2) OCHA should provide guidance on the use of the consortium approach in allocating grants to national non-governmental organizations consistent with the Grand Bargain commitment on localization.**

*OCHA accepted recommendation 2 and stated that the Country-based Pooled Funds Section was developing guidance to promote a more consistent approach to localization, including the consortium approach. Recommendation 2 remains open pending receipt of a copy of the guidance on allocating grants to national NGOs using the consortium approach.*

### The IHF risk management framework was adequate

28. A revised risk management framework for the IHF was issued in August 2018, after consultations with OCHA sub-offices and desk reviews. The Office prioritized 11 risks under six broad categories: (a) strategic and programmatic; (b) governance and management of the fund; (c) financial; (d) internal; (e) coordination and partnerships; and (f) hazard and security risks.

29. OIOS review of the risk register indicated that it was generally of good quality, with risks appropriately categorized, based on ratings for likelihood and impact, and reflected on a heat map. Risk evaluation and treatment plans were also completed including identification of risk owners. Through the meetings of the advisory board, risk mitigation activities were being addressed on an ongoing basis. OIOS concluded that OCHA Iraq was aware of and managing the risks facing the IHF.

<sup>1</sup> The Grand Bargain localization workstream commits by 2020 to provide at least 25 per cent of humanitarian funding to local and national responders as directly as possible to improve outcomes for affected people and reduce transactional costs.

<sup>2</sup> IHF formally launched its second standard allocation on 8 August 2019, and the HCT meeting on 26 August, tried to address some of these concerns.

### OCHA Iraq implemented measures to complete overdue project audits

30. The operational handbook on OCHA CBPF requires all projects to be audited within two months of implementing partners' final financial reports being cleared by OCHA.

31. During OIOS fieldwork, there were 68 ongoing audits and 113 audits to be initiated for projects that were completed prior to January 2018. OCHA Iraq reported in the advisory board meeting of September 2019 that it anticipated completing overdue audits by February 2020 and the IHFU has included a review of audit status report update as a regular agenda item on the advisory board meeting.

32. In its report number 2014/078 (on an audit of the OCHA managing agent role for the Somalia Common Humanitarian Fund), OIOS recommended that OCHA adopt a risk-based audit approach to auditing projects that would not only reduce the amount of resources deployed on auditing but also enhance its efficiency. In view of the outstanding recommendation and management's commitment to complete all overdue audits by February 2020, OIOS did not make a recommendation on this issue.

### There was a need to review procedures for commissioning forensic audits and estimate timeframes to conduct such audits

33. According to CBPF standard operating procedures, there are three options for addressing reported fraud: (a) the implementing partner conducts an internal investigation (mostly in cases of self-reporting); (b) a forensic review is carried out by an independent audit firm; or (c) an OIOS investigation is triggered. OIOS can also launch its own investigation into alleged partner fraud at any time and is not obliged to notify OCHA.

34. Completed external audits of projects identified a significant number of suspected fraud and such cases were referred to the OCHA Executive Office for forensic audit. Most of the suspected fraud cases were from 2015 to 2017, at the height of the Mosul crisis when: (a) neither the IHFU nor national NGOs had the necessary monitoring capacity; and (b) access to remote areas was limited to local and national responders. Moreover, the priority at that time was to ensure prompt delivery of humanitarian response to the needs of the affected people rather than to the monitoring aspect of the projects that were being implemented.

35. Only 2 of the 35 suspected fraudulent cases under forensic audit from 2015 to 2019 have been completed. These forensic audits took 382 and 586 days from the partner notification date to completion, with conclusions of "no evidence of fraud/wrongdoing". While the terms of reference for external audits expect them to be ideally completed in six months, there is no timeframe attached to forensic audits.

36. In OIOS' opinion, the process of commissioning forensic audits needs to be reviewed. There is a need for IHFU or the OCHA Oversight Unit to critically review red flags presented by external auditors for suspected fraud or abuse of resources against other contextual and situational information before referral for forensic audits. Similarly, external auditors should be required to dig deeper on the suspected fraud cases before reporting them. In accordance with International Standards on Auditing (ISA) 240, if conditions identified during an audit cause the auditor to believe that a document may not be authentic or that terms in a document have been modified but not disclosed to the auditor, the auditor shall investigate further. In addition, the ISA states, "if the auditor identified a misstatement which may be due to fraud, s/he shall reevaluate the assessment of the risks of material misstatement due to fraud and its resulting impact on the nature, timing and extent of audit procedures to respond to the assessed risks." OCHA's requirement that audit firms comply with these standards should ensure that cases recommended for forensic audit are based on solid evidence of wrongdoing by the implementing partner and could lead to a reduction of cases referred for forensic audits.

**(3) OCHA should: (i) review the procedures for commissioning forensic audits; and (ii) estimate the standard timeframes in which forensic audits should be completed.**

*OCHA accepted recommendation 3 and stated that it was currently reviewing the standard operating procedures around forensic audits, which already include an analysis before commissioning forensic audits. The Iraq cases were among the first batch of forensic audits and since then, OCHA had continuously reviewed and improved its procedures and methodology around suspected fraud cases based on information and resources available. While OCHA could introduce standard timeframes for conducting forensic audits, the timelines were not entirely within its control. Recommendation 3 remains open pending receipt of evidence that procedures for commissioning forensic audits have been updated including estimated standard timeframes.*

### **C. Management of resources allocated to the OCHA Office in Iraq**

Office work and cost plans were adequately developed, monitored and reported on

37. OCHA Iraq cost plans for 2018 and 2019 were divided into two parts: (a) a main extrabudgetary-funded segment for the overall support of the Office, and (b) a CBPF segment for the funding of IHFU. The overall expenditures were within the authorized budgets for each segment, with an average implementation rate of 89 and 74 per cent, respectively for the Office's activities. Staff cost accounted for \$11.9 million or 70 per cent of the total expenditure, followed by operating expenses, with \$2.1 million or 12 per cent of the expenditures (including \$474,900 for rental of premises); and travel of staff, equipment/vehicles and contractual services, which accounted for 4, 3 and 3 per cent respectively. The equipment/vehicle component included the purchase of four vehicles at \$511,595 (two armoured and two soft-skin) in 2018.

38. OIOS reviewed the payment documents for the vehicles and payments made to two audit firms from the contractual services expenditure line, totaling \$124,761 in 2019. The review indicated that the request for the purchase of the vehicles was initiated by OCHA Iraq, and underlying payments were properly signed and authorized for goods received and services performed. OIOS concluded that the amounts expended for goods and services during the period under review were within budget, adequately supported and authorized.

Completion of evaluation for the 2017-2018 and 2018-2019 performance reporting cycles was satisfactory, though mandatory training needed improvement

39. OCHA Iraq achieved a compliance rate of 100 per cent for both 2017-2018 and 2018-2019 cycles of staff performance evaluation. However, as at September 2019, only 27 out of 67 staff had completed all the United Nations mandatory on-line training courses, followed by 6 staff members who completed 10 out of the 11 courses, and another 6 who completed 9 courses, and 8 staff did not attempt any of the courses. During the audit, the Deputy Head of Office issued a memorandum to all staff reminding them to complete mandatory training as soon as possible.

**(4) OCHA Iraq should implement measures to ensure all staff undertake the required mandatory training courses and set a target date for their completion.**

*OCHA accepted recommendation 4 and stated that OCHA Iraq was implementing a requirement for all incoming staff to complete mandatory training within three months of their onboarding. Recommendation 4 remains open pending receipt of evidence that all staff have completed their mandatory training.*

Recruitment was underway for vacant posts but there was a need to improve gender parity

40. According to its 2019 staffing table, OCHA Iraq had 67 funded posts located in several parts of the country. Seven posts were vacant at the time of the fieldwork, including three at the international level and four at the national level. All vacant posts were under recruitment.

41. As indicated in Table 4, gender balance was relatively equitable between international staff. Of the 23 international staff members on board, 12 or 52 per cent were males, while 11 or 48 per cent were female. However, at the national level, the gender disparity was: 87 per cent male and 13 per cent female for national officer posts; and 79 per cent male and 21 per cent female for general service posts. OCHA Iraq explained that they normally include the phrase “female candidates are highly encouraged to apply” in vacancy advertisements, to encourage more female candidates to apply for each position. During 2018 and until October 2019, 84 per cent of the applicants were male candidates. In addition, most of OCHA Iraq’s recent vacancies were field level positions, which according to local sensitivities, were not suitable for females. Although management continued to be proactive and include female staff in all interview panels and female candidates in all interview assessments, most female candidates did not make it past the interview stage, which needed to be analyzed and addressed.

Table 4

**Total staff disaggregated between male and female**

	<i>Total post</i>	<i>Vacant</i>	<i>Encumbered</i>			
			<i>Male</i>		<i>Female</i>	
Professional	26	3	12	52%	11	48%
National officers	25	2	20	87%	3	13%
General service	16	2	11	79%	3	21%
<b>Total</b>	<b>67</b>	<b>7</b>	<b>43</b>		<b>17</b>	

**(5) OCHA Iraq should review additional actions needed to recruit more female candidates at the national level to improve gender parity.**

*OCHA accepted recommendation 5 and stated that OCHA Iraq would proactively implement it as national professional vacancies arise. Recommendation 5 remains open pending receipt of evidence that additional actions have been taken to recruit more national female candidates.*

Individual contractors were hired in accordance with United Nations policy instructions

42. During the period under review, OCHA Iraq had two individual contractors on board, at a total cost of \$78,840. One of the contractors was hired as an Information and Telecommunications Communications support and had been on board since 15 October 2017, with an initial contract that expired on 14 April 2018, and was extended for two additional six-months through 15 October 2019, resulting in a cumulative contract period of 24 months. The post has now been advertised, in accordance with the rule stipulating that consecutive contracts for consultants and individual contractors should not extend beyond 24 months. The second contractor was recruited by OCHA Geneva through Inspira, as a Humanitarian Affairs Officer, on a four-month contract (July to October 2019). The review indicated that performance evaluations were conducted, and all the necessary documents were available for examination, including short-listed candidates interviewed, evaluation papers, certificate of good health, etc. Also, the unit rates charged were all reasonable and within the United Nations guidelines. OIOS concluded that individual consultants were properly recruited.

The business continuity plan needed to be tested

43. In accordance with the United Nations Organizational Resilience Management System, OCHA Iraq developed a business continuity plan to maintain continuity of critical functions in emergencies or other disruptive events, while ensuring the health, safety and security of staff and protecting assets.

44. The plan was last updated in August 2019 and includes a programme criticality assessment and an activation and relocation plan. All concerned units such as the Information and Communications Unit and Staff Administration were involved and made their inputs. However, OIOS noted that the plan had not been formally tested after its preparation as OCHA Iraq wanted to conduct the simulation in coordination with the Security Management Team and the Department of Safety and Security as part of overall disaster recovery plans.

**(6) OCHA Iraq should conduct a simulation of its business continuity plan to test the validity of the plan in ensuring continuity of operations in the event of disruption from unforeseen adverse events.**

*OCHA accepted recommendation 6 and stated that the United Nations Country Team and Security Management Team in Iraq conducted a programme criticality exercise in December 2019 and a simulation exercise of the BCP. Based on the action taken, recommendation 6 has been closed.*

Various security measures were implemented but OCHA Iraq needed to ensure female staff members who undertake field trips participate in the Women's Security Awareness Training

45. The latest security risk assessment for OCHA Iraq was conducted in July 2019 for Baghdad, Erbil and the sub-offices. Based on the security risk mitigation measures implemented and the prevailing general security threat environment, the existing risks in Erbil relating to movement in the area of responsibility were reduced to low as per the security risk assessment. The area security risk assessment for Baghdad and other sub-offices were at various levels depending on local factors.

46. According to the security risk assessment conducted by the Department of Safety and Security, all female staff who work and travel in potentially hazardous environments should undertake Women's Security Awareness Training (WSAT). This recommendation was included in all area-specific security risk assessments that were reviewed for Iraq. The Head of OCHA Iraq circulated the information on WSAT training to all staff; however, since the training was not mandatory, there has been a lack of uptake by the female staff members.

**(7) OCHA Iraq should implement measures to ensure female staff members who take frequent field trips undergo the Women's Security Awareness Training as required by the area security risk assessment.**

*OCHA accepted recommendation 7 and stated that OCHA Iraq staff would be encouraged to participate in one of the five training courses planned for 2020. Recommendation 7 remains open pending receipt of evidence of attendance of female staff members in the Women's Security Awareness Training.*

The Iraq Protection from Sexual Exploitation and Abuse Network has been effective

47. The Iraq Protection from Sexual Exploitation and Abuse (PSEA) Network functions under the auspices of the HC to implement the Secretary-General's bulletin on special measures for protection from sexual exploitation and sexual abuse (ST/SGB/2003/13). Membership includes one focal point from each United Nations agency operating in Iraq and UNAMI. The focal points represent and coordinate the implementation of the PSEA within their agency and as a member of the Iraq PSEA Network. OCHA Iraq was represented by a programme specialist at the P-3 level located in Baghdad and reporting to the Resident Coordinator/Humanitarian Coordinator.

48. The Iraq PSEA Network had formal terms of reference and developed standard protocols for recording and processing complaints related to SEA. An inter-agency United Nations IDP information call centre was set up to receive complaints on SEA. During OIOS field trip to Shekhan IDP camp, camp management reported that SEA cases had drastically decreased following the identification of a SEA focal point in the camp and the dissemination of information on the SEA call centre, where victims can report complaints to trained call takers.

49. As stated by the latest PSEA Network report, 28 and 33 SEA cases were reported in 2017 and 2018 respectively and investigations were launched by respective organizations involved. The Network had also been spearheading inter-cluster training and training of eligible partners. OIOS concluded that measures put in place to ensure protection from SEA including the recruitment of a full-time programme specialist were effective.

#### **IV. ACKNOWLEDGEMENT**

50. OIOS wishes to express its appreciation to the management and staff of OCHA 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 of the Office for the Coordination of Humanitarian Affairs in Iraq

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	OCHA Iraq should, in conjunction with cluster leads and the respective governorates, advocate for the upgrading of health and education facilities in camps that are likely to remain active for longer duration	Important	O	Submission of evidence of concrete steps taken to advocate for the upgrading of health and education facilities.	30 June 2020
2	OCHA should provide guidance on the use of consortium approach in allocating grants to national non-governmental organizations consistent with the grand bargain commitment on localization	Important	O	Submission of a copy of the guidance on allocating grants to national NGOs using the consortium approach.	30 June 2021
3	OCHA should: (i) review the procedures for commissioning forensic audits; and (ii) estimate the standard timeframes in which forensic audits should be completed	Important	O	Submission of evidence that procedures for commissioning forensic audits have been updated including estimated standard timeframes.	30 June 2021
4	OCHA Iraq should implement measures to ensure all staff undertake the required mandatory training courses and set a target date for their completion.	Important	O	Submission of documentation showing that all staff have completed mandatory training courses.	31 December 2020
5	OCHA Iraq should review additional actions needed to recruit more female candidates at the national level in order to improve gender parity.	Important	O	Submission of documentation showing actions taken to recruit more female candidates.	31 December 2020
6	OCHA Iraq should conduct a simulation of its business continuity plan to test the validity of the plan in ensuring continuity of operations in the event of disruption from unforeseen adverse events.	Important	C	Action completed.	31 March 2020
7	OCHA Iraq should implement measures to ensure female staff members who take frequent field trips undergo the Women's Security Awareness Training as required by the area security risk assessment.	Important	O	Submission of evidence of attendance of female staff members in this training.	31 December 2021

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> C = closed, O = open

<sup>4</sup> Date provided by OCHA in response to recommendations.

# **APPENDIX I**

## **Management Response**



United Nations  Nations Unies  
INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

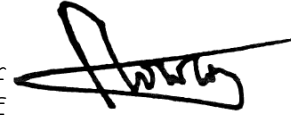
TO: Ms. Muriette Lawrence-Hume, Chief  
A: New York Audit Service,  
Internal Audit Division, OIOS

DATE: 23 March 2020

REFERENCE:

THROUGH:  
S/C DE:

FROM: Mark Lowcock, Under-Secretary-General for  
DE: Humanitarian Affairs and Emergency Relief  
Coordinator



SUBJECT: **Draft report on an audit of the operations of the Office**  
OBJET: **for the Coordination of Humanitarian Affairs in Iraq**  
**(Assignment NO: 2019/590/03)**

In reference to your memorandum dated 12 February 2020, I am enclosing herewith OCHA's management response to the draft report and the recommendations issued.

cc: Ms. Menada Wind-Andersen, Executive Officer, OCHA

## Management Response

## Audit of the operations of the Office for the Coordination of Humanitarian Affairs in Iraq

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	OCHA Iraq should, in conjunction with cluster leads and the respective governorates, advocate for the upgrading of health and education facilities in camps that are likely to remain active for longer duration.	Important	Yes	OCHA Iraq	Implemented	This recommendation has been incorporated in the 2018, 2019, and 2020 Humanitarian Response Plans.
2	OCHA should provide guidance on the use of consortium approach in allocating grants to national non-governmental organizations consistent with the grand bargain commitment on localization.	Important	Yes	OCHA NY (CBPF Section)	30 June 2021	CBPF Section is developing guidance to promote a more consistent approach to localization in the context of country-based pooled funds (CBPFs). The guidance will elaborate on a number of different approaches to localization, including the consortium approach.
3	OCHA should: (i) review the procedures for commissioning forensic audits; and (ii) estimate the standard timeframes in which forensic audits should be completed.	Important	Yes	OCHA NY (CBPF Section)	30 June 2021	OCHA is currently reviewing the standard operating procedures around forensic audit procedures. The analysis that the report indicates as needed to be undertaken before commissioning a forensic audit is already in place at this time and being implemented systematically. The Iraq cases were among the first batch of forensic audits and since then OCHA has continuously reviewed and improved its procedures and methodology around suspected fraud

<sup>1</sup> 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.

<sup>2</sup> 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 of the Office for the Coordination of Humanitarian Affairs in Iraq

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						cases based on information and resources available. Indicative standard timeframes can be introduced but it should be borne in mind that the timelines of the process are not entirely within OCHA's control.
4	OCHA Iraq should implement measures to ensure all staff undertake the required mandatory training courses and set a target date for their completion.	Important	Yes	OCHA Iraq	31 December 2020	OCHA Iraq is currently implementing for all incoming staff within a three-month period.
5	OCHA Iraq should review additional actions needed to recruit more female candidates at the national level in order to improve gender parity.	Important	Yes	OCHA Iraq	31 December 2020	OCHA Iraq will proactively implement this recommendation as national professional vacancies arise.
6	OCHA Iraq should conduct a simulation of its business continuity plan to test the validity of the plan in ensuring continuity of operations in the event of disruption from unforeseen adverse events.	Important	Yes	OCHA Iraq	Implemented	OCHA Iraq has implemented this recommendation in accordance with SMT direction and guidance. A planned programme criticality exercise was undertaken by the UNCT and SMT in December 2019.
7	OCHA Iraq should implement measures to ensure female staff members who take frequent field trips undergo the Women's Security Awareness Training as required by the area security risk assessment.	Important	Yes	OCHA Iraq	31 December 2021	In 2019, two Women's Security Awareness Training courses were scheduled by DSS (February) and by UNHCR (September). Both announcements were shared with all OCHA staff who were encouraged to participate. In 2020, the LCSSB has budgeted for five of these trainings in Baghdad, Erbil, Sulaymaniyah, Kirkuk and Basra, respectively – OCHA female staff will be requested to participate.