



INTERNAL AUDIT DIVISION

REPORT 2021/063

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

**There was a need to reinforce planning and
strengthen processes over shelter, education,
health and refugee status determination
processes**

**16 December 2021
Assignment No. AR2021-112-01**

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

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of operations in Djibouti for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the Representation was managing the delivery of services to persons of concern (PoCs) in a cost-effective manner and in compliance with UNHCR's policy requirements. The audit covered the period from January 2019 to December 2020 and included a review of: (a) planning and resource allocation; (b) shelter and settlement; (c) education; (d) health; (e) fair protection process; and (f) local procurement and vendor management.

The Djibouti operation faced challenges in delivering services to an increasing population of PoCs in a resource constrained environment. This was exacerbated by restrictions occasioned by the COVID-19 pandemic. The Representation had made significant progress in the implementation of the Comprehensive Refugee Response Framework (CRRF) with the Government honoring some of its commitments to integrate PoCs into national systems. However, the Representation needed to reinforce its planning and strengthen processes to ensure the delivery of services in areas of shelter, education, health and fair protection in a timely and cost-effective manner.

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

- Conduct a population verification exercise to ensure availability of quality data for programming; update the CRRF roadmap in support of the implementation of the Government pledges; and reinforce controls over performance management;
- Review partner capabilities and provide additional capacity building, as well as ensure adequate monitoring and reporting of their performance in delivering programmes;
- Ensure shelter designs and space allocations meet UNHCR standards and PoCs have access to adequate shelter over time;
- Evaluate the education programme and implement lessons learned to improve refugee children's access to quality education; and institute a performance framework that supports the collection and analysis of data for programme designing, planning, decision making and performance monitoring;
- Update its planning for and monitoring of health services provided to PoCs; and
- Address the backlog of refugee status determination cases by supporting an assessment of the capacity of related Government-led processes.

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

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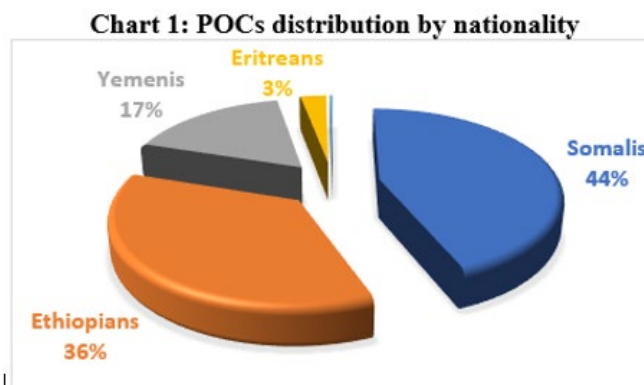
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Audit of operations in Djibouti for the Office of the United Nations High Commissioner for Refugees

I. BACKGROUND

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

2. The UNHCR Representation in Djibouti (hereinafter referred to as ‘the Representation’) was established in 1978 to provide refugees, asylum seekers and other persons of concern (PoCs) with international protection and humanitarian assistance. The socio-political and security crisis in the neighboring countries of Somalia, Ethiopia and Eritrea resulted in many people seeking asylum in Djibouti. The Representation reported that there were an estimated 32,140 PoCs, comprising of 20,975 refugees and 11,165 asylum seekers. Their distribution by nationality is reflected in Chart 1. PoCs primarily resided in three settlements: Ali Addeh (53 per cent), Holl-Holl (21 per cent) and Markazi (8 per cent), as well as in the city of Djibouti.



3. Djibouti under the Global Compact on Refugees adopted the Comprehensive Refugee Response Framework (CRRF), with the Representation supporting the Government’s implementation of related activities and coordination of key stakeholders. The Representation recorded a total expenditure of \$8 and \$11 million in 2019 and 2020 respectively. It worked with 12 and 9 partners that implemented 78 (2020) and 74 (2019) per cent respectively of the operating level budget. Eight out of the 12 partners in 2020 were government ministries and directorates while the other four were national and international non-governmental organizations. The implementation of the 2020 programmes was impacted by movement restrictions occasioned by the COVID-19 pandemic.

4. The Representation was headed by a Representative at the P-5 level and had a country office in the capital city, Djibouti, and two field offices in Obock and Ali Sabieh. As of 31 December 2020, the Representation had 54 positions comprising of 5 international, 32 national, and 17 affiliate staff positions. The Regional Bureau for East, Horn of Africa and the Great Lakes (Bureau) provided support and oversight to the Representation’s operations.

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 Representation was managing the delivery of services to PoCs in a cost-effective manner and in compliance with UNHCR’s policy requirements.

7. This audit was included in the 2021 risk-based work plan of OIOS at the request of the Bureau due to risks associated with the implementation of the CRRF in the operations in Djibouti.

8. OIOS conducted this audit from May to July 2021. The audit covered the period from 1 January 2019 to 31 December 2020. Based on an activity-level risk assessment, the audit covered high and medium risk areas pertaining to the operations in Djibouti, as reflected in the Table 1:

Table 1: Expenditure included in the audit scope from 1 January 2019 to 31 December 2020

	Expenditure \$ 000s	Percentage of overall programme expenditure (%)
Education	1,915	15
Health	2,274	18
Shelter and settlement	885	7
Fair protection and documentation	532	4
Procurement	3,277	26
Total	8,883	70

9. Through a review of the above-mentioned areas, OIOS drew overall conclusions about the Representation’s programme monitoring and reporting, partnership management and the effectiveness of its enterprise risk management.

10. 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 system; and (e) sample testing of controls. The audit was conducted remotely due to travel restrictions.

11. 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

Need to strengthen planning and allocation of resources

12. The Representation conducted age, gender and diversity (AGD) participatory assessments that supported the identification of PoC needs for prioritization during its annual country planning process. The Representation aligned the allocation of its programme funds to its strategic priorities of health, education, shelter and protection. The Representation also received support from the Regional Bureau in delivering services in sectors where it did not have country specialists in the areas of education and health.

Strategic planning

13. The Representation had a multi-year, multi-partner protection and solutions strategy (MYMPSS) that provided its vision and goals for its programmes. The MYMPSS informed the five-year CRRF plan (2020-2024) and annual and biennial planning processes. However, as reflected throughout the report, the Representation had not developed plans to drive the achievement of the goals and strategic objectives defined in its MYMPSS, as it was currently relying on national joint sectoral strategies led by the Government for direction. These strategies were fairly high level, not context specific and not aligned to the MYMPSS’ goals of integrating PoCs into national systems.

14. As a CRRF pilot country, between 2019 and 2021, Djibouti: (i) integrated refugee children into national education systems including tertiary institutions; (ii) ensured PoCs received the same rights to employment and development opportunities as the host population; (iii) included refugees in the National Development Plan; and (iv) registered refugees in the national social database. Development partners also supported programmes to assist PoCs and host communities. However, the Representation did not have a current roadmap to guide the CRRF processes and to work with the Government to ensure it continued to honor its pledges of integrating PoCs into national systems. The Representation was therefore expected to continue funding programmes in the medium to long term, which was not sustainable considering the resource constraints it was facing.

15. Djibouti is a transit country for immigrants en-route to Europe and therefore, the 18 per cent increase of PoC numbers since 2018 reported by the Government seemed high. The last joint verification exercise by UNHCR and the Government was conducted in 2017, but no report of the results was available. Considering the mixed migration (cross-border movements involving both refugees and migrants) risks, the Regional Bureau advised that a verification exercise by the Government with the support of UNHCR be conducted in 2021. However, it was deferred to 2022 due to: the on-going COVID-19 pandemic; presidential elections; and limited funding. Thus, there was a risk that the population data used for planning purposes, programme design and decision making was inaccurate.

16. The Representation recorded its programmatic performance in FOCUS. However, the data recorded was not comprehensive to inform decision-making and was insufficient for assessing the effectiveness of programme activities in creating the desired impact for PoCs. For instance, it did not have baselines against which impact of assistance provided could be measured such as provision of non-food items, access to essential drugs, and sectoral cash grants or vouchers. The reported low and/or non-performance was not analyzed, and remedial action taken, as was noted with access to essential drugs, sectoral cash grants and refugee status determination (RSD).

Partnership management

17. In 2020, the Representation directly implemented \$3.3 out of the \$9.4 million (35 per cent) operating level budget, with \$6.1 million implemented through 12 partners. In 2019, its direct implementation related to projects totaling \$1.2 million (26 per cent) with the balance of \$3.3 million implemented through nine partners. In line with CRRF, eight of these partners were governmental institutions that implemented 86 per cent of UNHCR programmes in education, health, registration and RSD, water and sanitation and livelihoods.

18. Two of the five partners reviewed did not have the capacity to effectively implement programme activities. This resulted in delays in the delivery of basic services to PoCs and non-achievement of performance targets. The Representation retained these partners in 2020 despite their capacity constraints and internal control weaknesses, without instituting measures to address them. The Representation also did not consider partner capacity when allocating funds nor did they adjust allocations to consider the impact of the COVID-19 pandemic. This resulted in underutilization of resources in 2020, with \$0.7 million (22 per cent of allocations) for health, water and sanitation and basic items remaining unspent despite the operations resource constraints. In 2019, the partners did not utilize five per cent of its budget.

19. Partners' capacity gaps called for close monitoring of the implementation of activities to ensure they remained on track and quality of services was not compromised. However, the Representation's multi-functional teams (MFTs) did not monitor partners' implementation of programme activities. The Representation's project control also did not review expenditures reported to ensure that resources were spent as intended, and that the reported expenditure was proportional to the performance achieved. This

was attributed to inadequate staff capacity. The Representation was thus unable to identify and take timely action to bring delayed or substandard projects back on-track.

20. Issues related to strategic planning, partner capacity and performance management were raised in the last OIOS audit of Djibouti (report 2018/137, dated 18 December 2018), and although all recommendations were closed based on evidence received, their implementation was not sustained. Unless addressed, PoCs will not have access to quality services in timely manner.

- (1) The UNHCR Representation in Djibouti should: (i) conduct a population verification exercise to ensure availability of quality data for programming; (ii) update the CRRF roadmap to support the implementation of the Government pledges; and (iii) reinforce controls over performance management.**

UNHCR accepted recommendation 1 and stated that: (i) the planned population verification exercise is slated for the first quarter of 2022; (ii) a status report of the most up to date CRRF roadmap was in place; and (iii) the project control work plan was in place till 31 December 2021. Additionally, the MFT met once in November 2021 to discuss detailed performance monitoring planning for 2022 based on the UNHCR Administrative and Bureau Instructions. OIOS noted that the current updated CRRF roadmap contained activities that had not been implemented by established timelines. Recommendation 1 remains open pending receipt of: (i) evidence that a population verification exercise has been completed; (ii) a copy of the updated CRRF implementation plan; and (iii) a copy of a plan to strengthen the collection, reporting and analysis of performance management data.

- (2) The UNHCR Regional Bureau for East and Horn of Africa and Great Lakes should support the Representation in Djibouti to review partner capabilities and to provide them with additional capacity building where necessary and institute adequate monitoring of their performance in delivering programmes.**

UNHCR accepted recommendation 2 and stated that it conducted a capacity building workshop on 16 November 2021 as well as an assessment of essential controls in partnership agreements. Recommendation 2 remains open pending receipt of evidence of: (i) a capacity building plan informed by assessments of partner capacities; and (ii) implemented risk-based monitoring plans for all government partners.

B. Shelter and settlement

Need to strengthen PoC shelter conditions

21. The Representation prioritized shelter and settlement projects in the 2019 and 2020 country operations plans. Shelter projects are implemented through an implementing partner. Its draft strategy (2019-2020) sought to address shelter challenges that had been prevalent for over 25 years in the settlements that housed over 83 per cent of PoCs. The CRRF created opportunities for PoCs to be considered as potential beneficiaries of some donor funded projects aimed at upgrading informal settlements and slums in the country, but these opportunities were limited.

22. The Representation was unable to implement its 2019 and 2020 strategic objectives due to financial constraints. For instance, it delivered 500 of the planned 1,000 permanent shelters in 2019, and 470 of those 700 planned in 2020. The Representation was therefore unable to meet the already low cumulative target of 20 per cent of PoCs having adequate shelter by the end of 2020.

23. The Representation was also unable to assist PoCs to transition from emergency to interim/permanent shelters and so they continued to live in tents beyond the prescribed six-month period. PoCs in Ali Addeh and Holl-Holl lived for protracted periods in tents which were for use during an emergency. These tents absorbed considerable heat and could not endure strong seasonal winds that were laden with sand, thus exposing PoCs to health and safety risks. The tents and traditional mud huts (tukuls) easily wore out and needed to be repaired within six months of being distributed/allocated. The Representation did not have arrangements in place to repair or replace them.

24. There was also inequitable allocation of shelters as PoC families received a 20 square meter shelter regardless of family size. This space was inadequate for over 80 per cent of the PoC population that had families comprising of more than six members. It also created inefficiencies when provided to smaller households. The Representation attributed the inadequate design and standards of the shelters to difficulties in imposing UNHCR standards in a country with lower local standards imposed under the CRRF. The Representation had not assessed the protection and financial impact of the use of the lower local standards for shelter over UNHCR ones.

25. Additionally, the shelters constructed did not reach the required target, as the percentage of households living in adequate dwellings in 2020 reported in FOCUS was 6.8 per cent against an annual target of 10 per cent. In 2019, the Representation achieved 9.1 per cent against a target of 13 per cent. The established targets were low considering the level of investment by the Representation in this sector over the years. Going forward, performance targets need to be realistic and fully consider the challenges faced in programme implementation including implementing partner capacity and reduction in funding. The Representation also needed the Regional Bureau's support to assist in resolving the persistent challenges the country was facing regarding shelter.

26. In line with the global direction, the Representation used cash-based interventions (CBIs) as the mode of service delivery with the related budget tripling from \$0.68 million in 2019 to \$1.77 million in 2020. PoCs had, as far back as 2018, expressed a preference for in-kind support as opposed to the use of cash assistance under the shelter programme. This contributed to the low CBI portion of shelter implementation rate at 18 and 25 per cent in 2019 and 2020 respectively, with the total reported expenditure through CBIs in the period being \$0.86 million. The Representation had not conducted the mandatory feasibility study to ensure that cash assistance as a modality of service delivery was suitable and acceptable to PoCs in Djibouti.

27. The low implementation rate of the shelter programme increased protection risks as PoCs did not have shelters that provided them with privacy, protection from the elements, emotional security and an adequate space to live as required by UNHCR policies.

(3) The UNHCR Representation in Djibouti should, in collaboration with the Regional Bureau for East, Horn of Africa and the Great Lakes, improve the living conditions of persons of concern (PoCs) by: (i) providing adequate shelters over time, including transitioning PoCs residing in emergency shelters; (ii) advocating with the government to ensure designs and space allocations meet UNHCR standards; and (iii) ensuring that established targets are met.

UNHCR accepted recommendation 3 and stated that the World Bank is injecting \$20m into the Djibouti shelter sector to support refugees and the host communities and that UNHCR will participate in the steering committee of this project whose first meeting will be held from the 16-19 December 2021. Further, the Representation is in the process of recruiting an Associate Shelter Officer who will liaise with relevant counterparts and monitor the shelter projects. Recommendation 3 remains open pending receipt of evidence of: (i) approved plans to address shelter deficiencies faced by PoCs; (ii)

communication to the Government regarding the minimum standard of designs and space allocations to PoCs; and (iii) review of the performance framework to ensure it is realistic and that established targets are met.

C. Education

Need to ensure refugee children of school going age receive quality education

28. Education is a priority area for the Representation, with the government pledging under the CRRF to integrate refugee children of school going age into the national system. Since 2017, refugee children were included in the national education system and admitted into local universities. The schools in settlements were taken over by the Government. This represented a significant step in the implementation of the CRRF. The Ministry of Education was responsible for implementing programme activities under a Project Partnership Agreement (PPA) with UNHCR, with most of its budget comprising of teacher salaries. At the time of the audit, processes were underway to integrate teachers paid by UNHCR into the Government payroll by 2024.

29. PoCs in the 2018 participatory assessments however noted that classrooms in settlements were overcrowded due to insufficient infrastructure, there were no science laboratories, and there was a high reported number of school dropouts. The same issues were identified in the Government partner's 2020 mid-year report implying that the issues had not been addressed.

30. The Representation had not evaluated the effectiveness of the education programme since it was taken over by the Government to make appropriate interventions to address any shortfalls. The Representation also did not have relevant data such as: (a) refugee children's access to education as reflected in enrolment, attendance and dropout rates; (b) quality of education reflected through teacher/pupil ratios and qualifications of teachers; (c) ratio of girls to boys attending school and female to male teachers; and (d) costs per PoC. Available data from 2018 reflected that more than 40 per cent of refugee children of school age were not enrolled in school, and that many PoC children were unable to pass the national examinations.

31. Current plans were not in place at the Ministry and Representation level to address these issues and ensure PoC education needs were met. Therefore, there was a need for further intervention by the Representation to address them in the initial periods of integration through consistent advocacy for improvement.

(4) The UNHCR Representation in Djibouti should: (i) evaluate the education programme and implement lessons learned and recommendations for improving refugee children's access to quality education; and (ii) institute a performance framework that supports the collection and analysis of related data for programme designing, planning, decision making and performance monitoring and management.

UNHCR accepted recommendation 4 and stated that an education expert from the Regional Bureau will be invited to provide technical guidance in assessing the effectiveness of the Ministry of Education Strategic plan (which includes refugees), and creating a corresponding work plan for the UNHCR education response to enhance inclusion. Recommendation 4 remains open pending receipt of evidence that: (i) an evaluation of the education programme has been conducted to inform improved access to quality education for PoC children; and (ii) there is improved performance monitoring that is supported by adequate collection and analysis of data.

D. Health

Need to strengthen the provision of quality health services to PoCs

32. Health was one of the CRRF priorities with plans to have refugees fully integrated into the national health system and thus ensure the sustainable provision of health services to PoCs. In line with the provisions of the CRRF, the Ministry of Health implemented programmes under a PPA with UNHCR in all refugee settlements to provide PoCs with access to primary health care, with them receiving the same level of services as the host community. UNHCR funded salaries for staff at settlement health facilities, infrastructure, medicines and medical supplies. According to UNHCR assessments and feedback received by PoCs, the Ministry provided services at a lower standard to what had been previously provided by the Representation when it fully funded health services.

33. The Representation did not have a current plan to direct the management of key changes in the health sector, particularly the integration of PoCs into national systems in the short, medium and longer term. Unlike other CRRF areas, development and operational agencies did not make commitments to fund health services under the CRRF and therefore, the Representation needed to reprioritise programme complementary activities, as during the period it was covering all related operational costs.

34. OIOS' reviewed the Representation's delivery of health services to PoCs and noted that:

- The UNHCR funded health facilities in the settlements did not have medical doctors and were managed by nurses who did not always have the required qualifications to provide necessary services to PoCs. For example, they could not administer post-exposure prophylaxis services to survivors of sexual violence, and unable to treat diseases like HIV, tuberculosis and mental health conditions. The Representation indicated that these facilities were supervised by medical doctors from Government health facilities in the respective regions, but it did not have documentation to support this.
- Settlements experienced frequent and protracted stock outs of medicines and medical supplies. Despite this, only \$85,997 of the \$275,887 (24 per cent) of the medicines and medical supplies budget was spent in 2020 compared to \$58,537 of the \$90,140 (65 per cent) in 2019. Further, in 2020, medical supplies worth \$83,362 had expired in storage. There was also a reported shortfall in medical equipment in laboratories at health facilities in the settlements.

35. The 2020 PPA with the Ministry of Health, as in the previous years, did not have the project description section and indicators and targets against which project performance could be monitored. The Ministry did not have a system for data collection, analysis and reporting of health-related data and thus the Representation lacked visibility on the progress and quality of project implementation. The Representation's MFTs and project control staff did not undertake the mandatory project performance and financial monitoring. At the time of the audit, the Representation also did not have staff overseeing the health function since the responsible official was on a three-month mission in another country. The Regional Bureau informed that it provided support and oversight over the delivery of health services in the absence of capacity at the country level when needed.

36. The Representation ranked the risk related to limited access of refugees to good quality health care services as high, but the proposed mitigation action of the impact of changing the implementing partner was not practical and therefore not effective. Thus, PoCs continued to receive sub-optimal health services increasing health risks.

- (5) The UNHCR Representation in Djibouti should strengthen the delivery of quality of health services to PoCs by: (i) updating its plan to support the prioritisation of activities related to health services; (ii) monitoring project and financial performance of the Government partner including an assesment of quality of services; and (iii) collecting health information to aid decision making.**

UNHCR accepted recommendation 5 and stated that as refugees are integrated in the country health plan, UNHCR depended on the information system of the Government and the data thereof. Further, the UNHCR health focal point conducted regular monitoring of health services as well as holding meetings with the Minister of Health on the health services provided to refugees. Recommendation 5 remains open pending receipt of: (i) an updated plan to support the prioritisation of activities related to health services; (ii) evidence of enhanced monitoring of the health partner's performance, including implementation of recommendations made; and (iii) evidence that necessary health information is being collected to facilitate programme decision making.

E. Fair protection processes

Need to strengthen refugee status determination processes

37. One of the Representation's strategic priorities was to ensure refugees could exercise their rights and access services through the fair protection process. The Government partner implemented key activities namely: registration of asylum seekers, RSD and provision of identification documentation. The Representation covered the costs related to fair protection under a PPA and provided relevant capacity building and technical support to the Government partner. At the technical level, the Representation financed the recruitment and deployment of a dedicated international staff member (associate officer) to support the RSD process. Asylum seekers and refugees were receiving their legal documentation in a timely manner that enabled them access to basic services such as health, education and livelihoods.

38. Unlike Somali and Yemeni refugees that received prima-facie refugee status, Ethiopians (comprising 36 per cent of the PoC population) had to go through an individualized RSD process. The National Eligibility Committee (NEC) that planned to initiate monthly meetings in 2020 to consider RSD applications, only held a few meetings, and prior to 2020 there had been no meetings. Consequently, there were 11,174 outstanding RSD applications (30 per cent of the PoC population) as of December 2020, with some applications dating back to 2011. Of the applications reviewed by NEC, 16 per cent of them were rejected, with appeal processes yet to start. While rejected applicants retained their status until the appeal processes were final, the Representation continued to assist them, which had financial implications.

39. The RSD backlog and rejection of applications to grant refugee status, as well as issues with the quality and consistency of adjudication was mainly attributed to the limited capacity of the Government partner in processing applications for consideration by NEC. UNHCR had developed a capacity building programme, however, acute staff movements at the Government partner rendered the programme ineffective. Unless the Government partner's pace of processing RSD applications increases, OIOS estimated that it would take at least 12 years to clear the backlog instead of two years at the standard processing rate for each of the seven RSD officers at the Government partner. This is without considering the continuous inflow of asylum seekers into Djibouti. There was a need to address the quality of submissions to the NEC which was rated high in the risk register. There was also a need to improve record keeping addressing discrepancies between proGres which reported that 214 RSD applications had been processed while NEC records showed 297 cases.

40. The Representation had one RSD indicator in FOCUS i.e. number of government staff capacity built. This indicator did not reflect related programme activities which was access to timely and quality RSD processes and clearance of the backlog. The signed PPAs with the Government partner did not contain key performance indicators and targets and thus there was no basis for the Representation to objectively assess and oversee their performance. This was a missed opportunity to verify reported results and identify mitigation challenges to programme implementation.

41. The issues above resulted in increased protection risks to PoCs whose eligibility processes were pending for long periods and had financial implications for the Representation. The Representation informed that there had been capacity development interventions with Government partner staff, but they were not receptive of these initiatives, with their attendance at the office sporadic and therefore, established targets were not being met. This affected asylum seekers access to RSD procedures and their timely recognition as refugees.

(6) The UNHCR Representation in Djibouti should: (i) support a Government-led assessment of the capacity of the government’s refugee status determination (RSD) procedures and the development of a joint workplan to address the quality of the process; and (ii) include RSD caseload targets and performance matrices in the partnership agreement.

UNHCR accepted recommendation 6 and stated that (i) the Government partner will be supported in assessing its capacity in implementing asylum procedures (registration, documentation, RSD); and (ii) detailed targets and indicators will be included in the Government partner’s 2022 PPA. This will include the need for a capacity assessment exercise, as well as the drafting and implementation of the resultant prioritised workplan of capacity development interventions. Recommendation 6 remains open pending receipt of: (i) a joint work plan with the Government partner aimed at improving their capacity to perform the RSD process; and (ii) evidence that performance targets have been included in the PPA between the Representation and the Government partner.

F. Local procurement and vendor management

There was an opportunity to improve the procurement planning processes

42. For local procurement of goods and services, the Representation issued 41 purchase orders (POs) valued at \$669,867 and 53 POs valued at \$1.2 million in 2019 and 2020 respectively. The increase was mainly due to the purchases made in 2020 such as drugs and medical services (\$297,248) and soap (\$35,937) that were absent in 2019. The main items procured in both years were security services, lease and rental of office space, electricity, fuel, rental of warehouse storage space, insurance and tyres.

43. The Representation established a Local Committee on Contracts (LCC) and its composition was revised on 10 April 2019 and on 15 September 2020 to keep in step with staffing changes. The Committee was convening to approve procurements related to fuel, telecommunication services and office rental space. All procurements were submitted for approval per the required threshold.

44. OIOS reviewed POs, related contracts and frame agreements amounting to \$376,575 representing 22 per cent of local procurement cases in the two years. From the review, the Representation carried out transparent and timely procurement processes that were competitive when practical given the limited options of suppliers available in the local market.

45. The Representation prepared a procurement plan for 2020 but no plan was prepared for 2019. The 2020 procurement plan was incomplete and did not include major items such as office security and

electricity; and excluded procurement delegated to partners. There was also no cost-benefit analysis done before the delegation of procurement to partners. There were discrepancies between how much was budgeted for procurement against actual expenditure and procurement plans were not up-dated periodically to enable effective monitoring. The Representation explained that procurement planning/budgeting was difficult due to capacity challenges of staff responsible for managing the procurement activities. To address this, the Representation has established a finance technical committee to review procurement related issues on a monthly basis. Based on the action taken, OIOS did not make a recommendation.

IV. ACKNOWLEDGEMENT

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

(Signed) Eleanor T. Burns
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Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The UNHCR Representation in Djibouti should: (i) conduct a population verification exercise to ensure availability of quality data for programming; (ii) update the CRRF roadmap to support the implementation of the Government pledges; and (iii) reinforce controls over performance management.	Important	O	Receipt of: (i) evidence that a population verification exercise has been completed; (ii) a copy of the updated CRRF implementation plan; and (iii) a copy of a plan to strengthen the collection, reporting and analysis of performance management data.	30 June 2022
2	The UNHCR Regional Bureau for East and Horn of Africa and Great Lakes should support the Representation in Djibouti to review partner capabilities and to provide them with additional capacity building where necessary and institute adequate monitoring of their performance in delivering programmes.	Important	O	Receipt of: (i) a capacity building plan informed by assessments of partner capacities; and (ii) evidence that risk-based monitoring plans have been implemented for all government partners.	31 March 2022
3	The UNHCR Representation in Djibouti should, in collaboration with the Regional Bureau for East, Horn of Africa and the Great Lakes, improve the living conditions of persons of concern (PoCs) by: (i) providing adequate shelters over time, including transitioning PoCs residing in emergency shelters; (ii) advocating with the government to ensure designs and space allocations meet UNHCR standards; and (iii) ensuring that established targets are met.	Important	O	Receipt of evidence of: (i) approved plans to address shelter deficiencies faced by PoCs; (ii) communication to government regarding the minimum standard of designs and space allocations to PoCs; and (iii) review of the performance framework to ensure it is realistic and that established targets are met.	30 June 2022
4	The UNHCR Representation in Djibouti should: (i) evaluate the education programme and implement an action plan to address the lessons learned and implement recommendations for improvement to	Important	O	Receipt of evidence that: (i) an evaluation of the education programme has been conducted to inform improved access to quality education for PoC children; and (ii) there is improved	30 June 2022

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

³ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁴ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	ensure refugee children's access to quality education; and (ii) institute a performance framework that supports the collection and analysis of related data for programme designing, planning, decision making and performance monitoring and management.			performance monitoring that is supported by adequate collection and analysis of data.	
5	The UNHCR Representation in Djibouti should strengthen the delivery of quality of health services to PoCs by: (i) updating its plan to support the prioritisation of activities related to health services; (ii) monitoring project and financial performance of the government partner including an assesment of quality of services; and (iii) collecting health information to aid decision making.	Important	O	Receipt of: (i) an updated plan to support the prioritisation of activities related to health services; (ii) evidence of enhanced monitoring of the health partner's performance, including implementation of recommendations made; and (iii) evidence that necessary health information is being collected to facilitate programme decision making.	31 December 2022
6	The UNHCR Representation in Djibouti should: (i) support a Government-led assessment of the capacity of the government's refugee status determination (RSD) procedures and the development of a joint workplan to address the quality of the process; and (ii) include RSD caseload targets and performance matrices in the partnership agreement.	Important	O	Receipt of: (i) a joint work plan with the Government partner aimed at improving their capacity to perform the RSD process; and (ii) evidence that performance targets have been included in the PPA between the Representation and the Government partner.	31 January 2022

APPENDIX I

Management Response

Management Response

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

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Djibouti should: (i) conduct a population verification exercise to ensure availability of quality data for programming; (ii) update the CRRF roadmap to support the implementation of the Government pledges; and (iii) reinforce controls over performance management.	Important	Yes	(i) Protection Officer (ii) CRRF Associate and Livelihoods Officer (iii) Project Control and Programme Officer	i) 30 June 2022 ii) 30 June 2022 iii) 31 January 2022	i) The planned population verification exercise is slated for the first quarter of 2022. ii) A status report of the most up-to-date CRRF roadmap is available. (iii) The Project Control work plan is valid till 31 Dec 2021. Additionally, the Multi- Functional Team (MFT) plan is valid. The respective working calendar is also still valid. The MFT team meeting has since been convened once to discuss detailed planning for 2022 based on the UNHCR Administrative and Bureau Instructions.
2	The UNHCR Regional Bureau for East and Horn of Africa and Great Lakes should support the Representation in Djibouti to review partner capabilities and to provide them with additional capacity building where necessary and institute adequate monitoring of their performance in delivering programmes.	Important	Yes	Representative	31 March 2022	The most recent capacity building workshop was held on 16 th November 2021.
3	The UNHCR Representation in Djibouti should, in collaboration with the Regional	Important	Yes	Associate Shelter Officer	30 June 2022	The World Bank is injecting \$20m into the Djibouti shelter sector to

⁵ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

⁶ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	Bureau for East, Horn of Africa and the Great Lakes, improve the living conditions of persons of concern (PoCs) by: (i) providing adequate shelters over time, including transitioning PoCs residing in emergency shelters; (ii) advocating with the government to ensure designs and space allocations meet UNHCR standards; and (iii) ensuring that established targets are met.					support refugees and the host communities. UNHCR will participate in the steering committee of this project whose first meeting will be held from the 16 th to 19 th of December 2021. The recruitment of an Associate Shelter Officer who will liaise with relevant counterparts and elaborate a plan to monitor the shelter projects is ongoing.
4	The UNHCR Representation in Djibouti should: (i) evaluate the education programme and implement an action plan to address the lessons learned and implement recommendations for improvement to ensure refugee children's access to quality education programmes; and (ii) institute a performance framework that supports the collection and analysis of related data for programme designing, planning, decision making and performance monitoring and management.	Important	Yes	Representative	30 June 2022	An Education Expert from the Regional Bureau will be invited to provide technical guidance. This guidance will be based on taking stock of what has been done within the MoE Strategic planning till 2025 (which is inclusive of refugees), and creating a corresponding work plan for the UNHCR Education response to enhance inclusion.
5	The UNHCR Representation in Djibouti should strengthen the delivery of quality of health services to PoCs by: (i) updating its plan to support the prioritisation of activities related to health services; (ii) monitoring project and financial performance of the government partner including an assesment of quality of services; and (iii) collecting health information to aid decision making.	Important	Yes	Representative; Associate Health Officer	31 December 2022	As refugees are integrated in the country health plan, UNHCR depends on the information system of the government and the data thereof.
6	The UNHCR Representation in Djibouti should: (i) support a Government-led assessment of the capacity of the government's refugee status determination	Important	Yes	Representative, Protection Officer	31 January 2022	i) The partner will be requested to perform a Government-led assessment of the asylum procedures (registration,

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	(RSD) procedures and the development of a joint workplan to address the quality of the process; and (ii) include RSD caseload targets and performance matrices in the partnership agreement.					documentation, refugee status determination). ii) In addition to RSD case-work targets and performance matrices, detailed targets and indicators proposed by UNHCR for inclusion in the partners' 2022 PPA will include this capacity assessment exercise, as well as the drafting and implementation of the resultant prioritised workplan of capacity development interventions.