



INTERNAL AUDIT DIVISION

REPORT 2025/055

Audit of operations in the Islamic Republic of Iran for the United Nations High Commissioner for Refugees

The Representation in the Islamic Republic of Iran should strengthen the delivery of services to forcibly displaced persons in key strategic priority areas and reinforce controls over its management of resources

31 October 2025

Assignment No. AR2023-141-01

Audit of operations in the Islamic Republic of Iran for the United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of operations in the Islamic Republic of Iran (Iran) for 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 forcibly displaced persons in a cost-efficient manner and in accordance with UNHCR policy requirements. The audit covered the period from 1 January 2022 to 31 December 2024 and included: (i) planning and resource allocation; (ii) programme effectiveness and efficiency; and (iii) programme management.

Despite facing a complex funding and operational environment, the Representation continued to provide protection, solutions, and assistance to forcibly displaced persons directly and through its support to national systems. However, considering operational constraints, the Representation needed to better review its strategy to ensure the limited available resources are spent in the most efficient and cost-effective manner and to the benefit of forcibly displaced persons. The programmes also faced challenges including unreliable data and inadequate monitoring, which resulted in limited effectiveness. Additionally, the controls over the construction projects were weak.

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

- Reinforce its strategic and operational planning to ensure that funds are allocated to priority needs of forcibly displaced persons and thus utilized cost-effectively.
- Conduct an evaluation to inform its decisions on how to optimize the Universal Public Health Insurance scheme for greater coverage, accessibility and impact.
- Conduct market analyses to inform its design and strategic approach to livelihoods for greater effectiveness.
- Strengthen management of resettlement programme through reliable data and anti-fraud arrangements.
- Reinforce controls over constructions to better safeguard resources; and monitor programme implementation to ensure impact.

UNHCR accepted all recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

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Audit of operations in the Islamic Republic of Iran for the United Nations High Commissioner for Refugees

I. BACKGROUND

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

2. The UNHCR Representation in Iran (hereinafter referred to as the ‘Representation’) was established in 1984 to assist forcibly displaced persons following the Russian invasion of Afghanistan. It has also provided this assistance during the mass return to Afghanistan in 1992 and the takeover of the Afghanistan Government by the De Facto Authority in August 2021. The Government of the Islamic Republic of Iran (GIRI) is a signatory to the 1951 Refugee Convention and its 1967 Protocol and is responsible for the protection and documentation of forcibly displaced persons. GIRI accorded UNHCR responsibilities for international protection, provision of humanitarian assistance and seeking durable solutions.

3. At the time of the audit, the Representation estimated that there were 3.5 million displaced persons, comprising of 773,000 refugees (of which 761,000 Afghans and 12,000 Iraqi) and some 2.7 million Afghans in refugee-like situations. While GIRI reached this wider population, the Representation provided protection and resettlement assistance to 255,000 individuals registered in proGres.

4. The Representation is headed by a Representative at the D-1 level and had a workforce of 233, comprising 148 regular staff and 85 affiliate workers. It had a country and field office in Tehran, three sub-offices in Mashhad, Kerman and Shiraz and two field units in Esfahan and Dogharoun. The Representation’s budget for 2022, 2023 and 2024 was \$87.7 million, \$38.7 million and \$37.9 million, respectively (see Table 1). As of June 2025, budget stood at \$25.3 million only, 40 per cent of which was tightly earmarked.

Table 1: Budget allocation and expenditure in 2022-2024 (in US\$)

Budget Category	2022		2023		2024	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
Administration	4,571,058	4,748,401	3,408,749	3,754,127	2,868,160	3,321,103
Operations	69,435,642	69,346,688	20,942,150	22,367,137	21,802,510	20,373,245
Staff	12,737,592	12,734,961	14,439,320	11,885,085	13,296,605	11,308,422
Grand Total	86,744,292	86,830,050	38,790,218	38,006,349	37,967,275	35,002,770

5. The health programme spent \$59 million, primarily on health insurance and support to primary health centres, followed by basic needs totaling \$25.2 million; education \$22.2 million, and resettlement \$18.2 million. Across the programmes, \$27 million was spent on construction of health centers, schools and shelter while CBI accounted for \$9.9 million. The Representation worked with 13 funded partners in 2022, down to 11 in 2023 and 2024, including five government partners who were responsible for implementing 62 per cent of the Representation’s programme related expenditures.

6. To acquire, process and store data related to programmes and activities under review, the Representation relied on institutional information systems and applications such as ProGres, Managing Systems, Resources and People (MSRP) and Cloud Enterprise Resource Planning (Cloud ERP), COMPASS, and Workday. To bridge gaps in interoperability of these systems, the Representation also

developed local solutions, such as the Iran Report Portal, which allowed to run multiple scripts ranging from targeting of assistance and deduplication to reporting.

7. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess whether the Representation was managing the delivery of services to its forcibly displaced persons in a cost-efficient manner and in accordance with UNHCR policy requirements. This audit was included in the 2024 risk-based work plan of OIOS due to the risks related to the size and complexity of the operations in Iran.

9. OIOS conducted this audit from January 2025 to May 2025. The audit covered the period from 1 January 2022 to 31 December 2024 and included: (i) planning and resource allocation; (ii) programme effectiveness and efficiency; and (iii) programme management.

10. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; (d) sample testing of controls; (e) visits to the Representation's branch and sub-offices, as well as selected government partners implementing UNHCR projects; and (f) direct observation of programme activities implemented in Tehran, Kerman, Yazd and Mashaad provinces.

11. OIOS assessed the reliability of data related to planning and resource allocation, partnership management, construction, solutions, health and cash based interventions (CBI) by (a) reviewing existing information and data in proGres, CashAssist, Managing Systems, Resources and People (MSRP) and Cloud Enterprise Resource Planning (C-ERP), COMPASS, Workday and the Iranian Report Portal, and (b) interviewing UNHCR personnel knowledgeable about the data. Additionally, OIOS traced a random sample of data across systems. Except for the data quality issues reported in the relevant sections of this report, the audit determined that, overall, the data were sufficiently reliable for the purpose of addressing audit objectives.

12. The audit was conducted in accordance with the Global Internal Audit Standards.

III. AUDIT RESULTS

A. Planning and resource allocation

Gaps in programme planning and resource allocation

13. The Representation Multi-Year Strategy for 2022-2024 (MYS) supported the government in the provision of healthcare, education and livelihoods services to forcibly displaced persons within the relevant national systems. However, OIOS noted gaps in the Representation's strategic planning processes:

- (a) Lack of reliable data for strategic and operational planning

14. At the time of the audit, the Representation did not have reliable population data to inform its strategic planning processes. It estimated that there were 3.5 million displaced persons in refugee-like situations although GIRI placed the number at 6.1 million displaced persons. The Representation relied on information aggregated from different sources, including monitoring reports, counselling and helplines, which was unreliable and not representative of the target population. Significant discrepancies were noted

regarding the population figures cited in various strategic documents. The audit noted that while the Representation rated the risk related to data governance as high, no plans were in place to mitigate the risk.

15. Further, the Representation did not conduct formal participatory needs assessments to inform its prioritization of programme activities within the limited available resources. The population data obtained from GIRI was not disaggregated and thus was ineffective in supporting the targeting of assistance. The Representation had to rely on data extrapolation and demographic modelling to get information for decision making. This, as reflected in section B, resulted in the Representation spending limited resources on areas that were not assessed as priorities by displaced persons.

16. Although the Representation had a results framework in COMPASS, the system did not have consistent and appropriate indicators, targets and results for measuring programme performance. For example, in 2024, the Representation did not have a performance framework that reflected expected outcomes from its \$1 million investment in livelihoods.

(b) Misalignment between funds allocation and priority areas

17. GIRI was making increasing requests for more international support since it could no longer sustain its inclusive approach due to the economic sanctions. This, however, was happening against the backdrop of progressive reductions in the Representation's budgets, i.e., from \$86.7 million in 2022 to \$25.3 million as of June 2025. The funds available for operations also declined from 80 per cent in 2022 to 57 in 2024. Within this challenging context, the Representation did not, as part of its strategic planning, map stakeholder funding against priority programme areas to mitigate the risk of potential gaps and duplications in service delivery.

18. The Representation's MYS prioritized health, education and livelihoods programmes. In the period 2022-2024, the Representation funded GIRI to implement 80 construction projects for education, health and shelter, totaling \$27 million in areas with a high presence of forcibly displaced persons. While the government funding in most of these sectors significantly exceeded that of the Representation, the latter heavily invested in some activities that had limited impact on displaced persons. This underscored the need for the latter to reassess its priorities to ensure meaningful impact and the efficient and cost-effective use of available limited resources.

19. While the Representation's decision to construct additional facilities was based on needs assessments conducted by GIRI, the audit noted that the underlying assumptions were not always valid, as below:

- Although GIRI assessed that 150 new schools operating on double shifts were necessary to accommodate the growing number of school-aged Afghan children, newly built schools that OIOS inspected were operating on a single-shift. Further, Afghan students were a small minority of the enrolled student population. Additionally, the comprehensive health center constructed in Alborz was noted to only operate on a single 6-hour daily shift.
- Although pre-existing structures had a low utilization rate, new facilities were constructed which inevitably were underutilized. Eight of the 24 classrooms inspected in the three newly constructed schools were not in use. Also, two schools lacked equipment for libraries and laboratories and thus were yet to be fully operationalized. This indicated that the increased school capacity was unnecessary, and resources could have been used to address other issues such as the high school dropout rate that sat at 20 per cent among displaced persons.

- One of the newly constructed schools did not address the need for increased capacity, as it merely replaced an existing facility. Similarly, one of constructed health centers was located adjacent to a pre-existing facility; with the latter retained for medical education purposes.

20. Further, there was also a misalignment between the strategic priorities in the MYS and allocated funds. For instance, although they are areas of strategic importance, the livelihoods programme only received \$1 million (2 per cent of the budget), and very limited resources were allocated towards statelessness. This indicated the need to strengthen the planning processes.

(1) The UNHCR Representation in Iran should reinforce its strategic and operational planning to ensure that funds are allocated to priority needs of forcibly displaced persons based on accurate data.

UNHCR accepted recommendation 1 and stated that, while continuing to advocate for access to disaggregated population data with GIRI to support data-driven planning, the UNHCR Representation in Iran has initiated a socio-economic survey of forcibly displaced Afghans to inform its operational planning and guide resource allocation. It will also engage key stakeholders and in view of the seventh Government Development Plan also review its programmes to promote sustainability and complementarity where relevant. Given anticipated funding constraints for 2026, the operation is optimizing available resources, including a streamlined staffing footprint, to strengthen programme delivery and maintain a high proportion of operational spending.

B. Programme effectiveness and efficiency

Gaps in the displaced persons' enrollment in the Universal Public Health Insurance scheme limited its impact

21. Most secondary and tertiary health needs of Afghan refugees were met through the government's Universal Public Health Insurance scheme (UPHI), and to a lesser extent, through emergency cash-based interventions (CBIs) implemented directly by UNHCR. During the audit period, the Representation spent approximately \$56 million through the GIRI UPHI programme. The Representation funded insurance premiums for 120,000 beneficiaries in 2022, which reduced to 95,000 beneficiaries in 2023 and 2024. While GIRI had committed to reach an additional 30,000 additional individuals annually with its resources in the period under audit, the Representation lacked documentation to evidence that this happened.

22. The audit's review of the UPHI programme revealed the following, which indicated its limited effectiveness:

- Despite high needs, 20 percent of subsidized health insurance enrollments remained unutilized. This indicated gaps in the identification and targeting of eligible individuals for inclusion in the scheme by GIRI. Additionally, 15 percent of interviewed beneficiaries were unaware that they had been enrolled into the health scheme.
- At the same time, some refugees were unable to access the scheme, with certain provinces resorting to rotating beneficiary enrolment on an annual basis due to limited available slots. Moreover, there were instances where undocumented individuals were enrolled on an exceptional basis, while there were no oversight mechanisms in place to ensure that this was not subjected to abuse.

23. On the other hand, the high demand for health services absorbed a large part of the \$9.3 million multipurpose CBIs. Post-distribution monitoring reports showed that medical costs were the top expenditure costs for 26 percent of respondents and consumed up to 40 percent of their household income.

This also included persons that were enrolled in the UPHI who were facing high-cost or severe medical conditions. The cost for the underutilized UPHI could have been allocated for CBIs.

24. The Representation stated, but did not provide related evidence, that it has received a list of non-activated cases (for UPHI) after the audit field work, and this was being monitored and followed up. Additionally, while an evaluation of the effectiveness of the national insurance scheme was planned, it had not been conducted at the time of the audit.

(2) The UNHCR Representation in Iran should conduct an evaluation to inform its decisions on how to optimize the Universal Public Health Insurance scheme for greater coverage, accessibility and impact.

UNHCR accepted recommendation 2 and stated that an assessment of the UPHI is both timely and necessary, given the strategic significance of the program, its sustainability, and its role in enabling refugee inclusion within Iran's national systems. The Representation is discussing with the UNHCR Evaluation Office on the most effective way forward, given the context.

The livelihoods programme had limited effectiveness

25. Despite the Representation having listed the livelihoods programme as a strategic priority, it decreased the related budget by 25 percent, i.e., from \$1.2 million in 2022 to \$0.9 million in 2024. This reduction occurred even as the 2022 socio-economic survey highlighted significant declines in income among displaced persons and a growing reliance on borrowing, alongside limited employment opportunities in the fields of training provided.

26. The effectiveness of the programme, which was predominantly vocational training, was impacted by the following factors:

- The vocational trainings offered to displaced persons were often poorly aligned with local market needs and continued to focus on traditional trades such as dressmaking despite them consistently having low employment outcomes.
- An impact assessment conducted in 2023 concluded that only 21 percent of trainees reported increased income as a result of the training. Further, female participants, who made up 69 percent of the total displaced persons, reported poorer employment outcomes compared to male participants, also due to legal and administrative barriers. No action had been taken to address this anomaly.
- Vocational trainings were not effectively implemented: (i) some had failure rates as high as 70 per cent as well as low training completion rates, e.g., 8 per cent in Shiraz; and (ii) 782 training certificates were not issued in 2022.

27. The effectiveness of the livelihoods programme was further limited by the absence of comprehensive market analysis to inform its design, as well as the lack of dedicated staff to oversee the technical and vocational training components. Consequently, the programme did not sufficiently address barriers to displaced persons' access to the job market, including the limited availability of legal employment opportunities in the fields covered by the training.

28. Furthermore, the audit identified inefficiencies arising from duplications in implementation of similar programme activities by multiple agencies within the same geographic areas and/or targeting the same beneficiaries. For example, in 2022, the World Food Programme and Representation both reported

support to bakeries and tailoring workshops in Torbat-e Jam Settlement (Razavi Khorasan) at different times. In 2023, two partners and the Representation each ran vocational training projects in Tehran for the same target group. This indicated the need for better coordination to ensure that gaps and duplications in assistance are identified and addressed.

(3) The UNHCR Representation in Iran should conduct market analyses to inform its design and strategic approach to livelihoods for greater effectiveness.

UNHCR accepted recommendation 3 and stated that UNHCR recognizes that livelihoods programming in Iran operates within a challenging environment, where GIRI considers interventions as support for eventual return to Afghanistan rather than for access to employment in Iran. To emphasize the importance of designing realistic, evidence-based interventions, UNHCR Iran will conduct a market analysis to better align interventions with local economic realities and refugee capacities, thereby improving programme relevance and sustainability. It will also reinforce the monitoring frameworks to track performance of implementing partners with a focus on accountability, transparency, and impact. Coordination with the Livelihoods Working Group is ongoing to avoid duplication and strengthen complementarity.

The management of resettlement programme needed improvement

29. The resettlement programme faced significant operational limitations, including limited budget, inadequate data and system, and misaligned fraud risk management. This resulted in case backlog growth, biased prioritization, and heightened protection risks.

(a) Backlog cases

30. The Representation's resettlement programme budget was \$1.3, \$1.8 and \$2.5 million in 2022, 2023 and 2024 respectively. It submitted 10,147 individuals for resettlement; with 2,750 departures reported between 2022 and 2024. Resettlement quotas were far lower than the needs of refugees, and opportunities for complementary pathways to third countries, such as family reunification, were inadequate.

31. At the time of the audit, the Representation experienced a backlog of over 5,000 on resettlement decisions and limited number of departures on complementary pathways. This was attributed to:

- The workload and quota distribution for resettlement across field offices has not been aligned with their respective capacities. For example, although the Kerman office was allocated 10 percent of the national quota, only 433 applications were prioritized out of the 18,928 interviews conducted in 2024. According to the Representation, this discrepancy was due to differing prioritization criteria across regions. As a result, some applications remained in pending status for over 18 months, primarily to allow applicants time to obtain the necessary documentation.
- The complementary pathways programme did not have dedicated staff and budgets. Two of the designated staff, i.e., a P-2 in Mashhad and P-3 in Tehran, worked remotely due to visa denials. Departure processes were further hindered by complex exit procedures imposed by GIRI and strict visa regulations. Of the 87 cases reviewed, 20 faced exit complications due to reasons such as overstay fines or missing travel documentation. Refugees without passports often depended on travel documents issued by resettlement countries, and delays were exacerbated by the closure of the Afghan Embassy.

(b) Unreliable data and inadequate systems to support resettlement decisions

32. The audit assessed the adequacy and effectiveness of systems in place to provide reliable data to inform decisions on resettlement and complimentary pathways and noted the following:

- **ProGres:** The Representation did not have reliable data in proGres to inform decision making under the resettlement programme. Seventy-nine per cent of the 3,154 reviewed cases had incomplete data fields in proGres such as needs-assessment rationale and submission-recommendation details. There were also discrepancies identified between the proGres reports and the resettlement dashboard. For instance, Shiraz recorded 861 cases at the Case-ID stage, while the dashboard showed 867 cases. The Representation informed that incomplete fields were not relevant for assessing applications for resettlement. However, it noted that an exercise to clean up data on some 687,835 records with logical and procedural errors was underway.
- **Iran Report Portal:** The Representation had developed the Iran Report Portal, an application that was meant to support the prioritization of applications. However, the application's prioritization of cases was not aligned to the scoring guidelines. For instance, in 2024, 75 per cent of applications with a high score had been deprioritized and those with low scores advanced.
- **Excel tracker:** The Representation used an Excel tracker to record and monitor complementary pathways case numbers, but the tool did not have reliable data. For instance, the tracker showed 9 cases (18 persons) as assisted in 2023, yet in the Annual Result Report, the Representation recorded 28 departures. The Representation did not ensure that records maintained in the tracker had consistent formats, statuses, or unique identifiers. This limited analysis and action.

(c) Gaps in fraud risk management

33. The Representation had conducted a fraud risk assessment; however, its procedures had not yet been aligned with the 2024 guidelines, which entered in force in January 2025. Other additional gaps identified during the audit involved the following:

- The minimum composition requirements for the Fraud Assessment Panel were not consistently met and performance indicators to monitor the timeliness of investigations were not maintained.
- There was no designated focal point for addressing misinformation.
- Staff training on the protection from retaliation policy was incomplete. Further, partners had not received training on anti-fraud procedures due to GIRI imposed restrictions on interactions with partners, and partner-level fraud prevention mechanisms were lacking.
- Interview rooms in Shiraz lacked adequate soundproofing, compromising confidentiality. The Representation informed that there were structural limitations to enforce soundproofing in Shiraz.

(4) The UNHCR Representation in Iran should enforce control procedures for the resettlement programme including reliable data and anti-fraud arrangements.

UNHCR accepted recommendation 4 and confirmed that oversight procedures, including those related to role segregation and data management, are in place. A comprehensive review conducted in March 2025 confirmed that controls currently in place are consistent with global standards outlined in the Resettlement Handbook. The Representation has also established separate SOPs on proGres v4 and BIMS Updates for RSD/RST Case Process (July 2024) to promote accurate data updates. As part of its monitoring mechanisms, the Representation also proactively initiated a round of data quality checks

in proGres in July 2025 to maintain the accuracy and quality of registration data in proGres. It also started a verification exercise of the cases registered prior to 2022 and this will continue in parallel with new registration till all active cases will be up to date. The Representation also updated its anti-fraud SOPs in Q1 2025 to align with the revised 2024 Policy on Addressing Fraud Committed by Forcibly Displaced and Stateless Persons and trained all personnel.

C. Programme management

Inadequate controls over implementing partners in construction projects

34. OIOS noted gaps in financial management over the construction projects implemented by partners, for instance:

- The Representation gave government partners up to 75 per cent of the construction project funding upfront without specifying milestones against which the project progress would be monitored.
- The Representation was unable to correlate financial disbursements with physical progress on the ground. Additional installments were released without evidence of progress on projects. For instance, \$6.93 million (49 per cent) of the total partners' 2024 budget had not yet been accounted for as of February 2025.

35. Moreover, the Representation did not institute effective modalities for monitoring constructions, which contributed to the Representation's inability to identify for rectification project delays and cost overruns as well as the use of constructed buildings. Identified gaps in project monitoring included the following:

- The Representation's risk-based monitoring framework was structured around partnership agreements rather than individual construction sites. This impacted its ability to detect specific project issues for rectification in a timely manner. For instance, of the 36 schools constructed at a cost of \$36 million in the period 2022-2024, 12 were started in 2019-2021 and refinanced in 2022 for completion. Twenty more schools started in 2022, 10 of which were refinanced in 2023 for completion, and four more schools in 2024 were still ongoing in 2025 beyond initial expected completion timelines.
- The Representation did not have documentation to evidence consistent on-site verifications conducted at construction sites. Instead, monitoring focused on tracking instalment payments to partners and listing completed works. This impacted activity tracking and undermined both performance assessment and financial oversight. Gaps in the Representation's financial verification procedures meant that it was unable to identify and address cost overruns in a timely manner.
- The audit identified issues at all seven construction sites visited representing approximately \$1.8 million in value. Such issues were not reflected in any of the 32 monitoring reports reviewed. These issues included incomplete works, unauthorized changes to plans, safety risks, project delays, handover deficiencies, and inadequate enforcement of retention clauses.

Gaps in the monitoring of programmes implementation

36. The Representation did not, until 2025, receive detailed data from partners to support verification of results for programmes like vocational training and health insurance. A review of the health performance framework identified the following factors that were impacting on the measurement of performance of the partners in health programme:

- Targets for core indicators were not revised to reflect changes in available budgets. For example, the Representation's target to support 134 health facilities remained unchanged despite budget reductions between 2022 and 2023.
- Multi-functional teams (MFTs) lacked defined criteria for determining the frequency of monitoring visits to various health-related programme sites and activities. Furthermore, they did not consistently follow up on previously identified issues.
- The health insurance enrollment data contained duplications involving 275 individuals. Additionally, GIRI did not monitor exceptional enrollments of unregistered individuals with life-threatening medical conditions, resulting in a lack of oversight over these cases.

37. Monitoring of the livelihoods programme was also weak, with frequent cancellations of monitoring visits. There were also misalignments between the indicators, targets and results in UNHCR's RBM system COMPASS, ActivityInfo - another system used for tracking performance, and other documents such as the Regional Response Plan. Also, the reported performance data was not supported and thus could not be verified.

(5) The UNHCR Representation in Iran should reinforce its programme management through: (a) effective controls over implementing partners for constructions projects; and (b) enhanced monitoring of programme implementation.

UNHCR accepted recommendation 5 and stated that during the detailed planning process for 2026, the operation will assess and document the decisions of the most cost-effective modality for the construction projects that address the identified needs. Measures are already being taken to promote better utilization of facilities, more rigorous oversight of implementing partners, and clearer accountability frameworks to safeguard resources and maximize impact for displaced populations. Specifically, an updated monitoring tool with a revised site assessment checklist is being rolled out, and additional monitoring and control measures have been incorporated into the Project Workplan to reinforce management oversight.

Need to repurpose CBI assistance to refocus on initiatives to support long term self-reliance

38. The Representation disbursed CBIs totaling IRR 3,458 million (\$9,933,078) in the period under audit to 160,092 individuals. The Representation conducted a vulnerability assessment that informed the selection of beneficiaries, and it was based on records in proGres. However, data in proGres was not up to date and the Representation had started a verification on 15 October 2024 to improve the completeness and accuracy of records. A review of data recorded in CashAssist and proGres highlighted that in 2024 the Representation processed 147 cash plans (CPs), 117 through bank transfers and 30 through gift cards. A review of two cash plans for multi-purpose CBIs totaling IRR91,900 million (\$213,391) concluded that controls on reconciliation and deduplication were working effectively.

39. However, OIOS noted that despite frequent reviews of the minimum expenditure basket for the multipurpose cash, the average assistance per capita across various types of CBI decreased in nominal and actual terms due to changes in number of assisted persons, exchange rates and reducing budgets as reflected in Table 2 below. Further, the monitoring reports highlighted that while CBI improved living conditions, this was not in a sustainable manner.

Table 2 – Total CBI assistance delivered in 2022-2024

Year	IRR (000)	US\$	Individuals	per capita (\$)
2022	662,622,381	2,528,379	26,224	96.41
2023	1,868,727,773	5,252,703	75,213	69.84
2024	926,790,690	2,151,997	58,655	36.69
Total/Average	3,458,140,844	9,933,079	160,092	62.05

40. This situation arose from the growing needs of beneficiaries in contrast to declining resources, which limited the Representation's ability to adopt a longer-term approach aimed at lifting individuals out of poverty. Funds allotted to CBI were drastically reduced in 2025 to \$0.9 million. OIOS was of the view that, in its overall resource reallocation, the Representation should consider integrating its limited cash assistance with longer-term livelihood solutions. No recommendation is made here since a related one is raised under recommendation 1 on planning and resources allocation.

IV. ACKNOWLEDGEMENT

41. 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.

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of operations in the Islamic Republic of Iran for 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 Iran should reinforce its strategic and operational planning to ensure that funds are allocated to priority needs of forcibly displaced persons based on accurate data.	Important	O	Receipt of evidence that prioritized activities, including those agreed with government, are subject to cost-effectiveness analysis and can be supported by well documented needs and adequate data analysis.	31 December 2026
2	The UNHCR Representation in Iran should conduct an evaluation to inform its decisions on how to optimize the Universal Public Health Insurance scheme for greater coverage, accessibility and impact.	Important	O	Receipt of evidence that the Representation has conducted an evaluation to inform its decisions on how to optimize the Universal Public Health Insurance scheme for greater coverage, accessibility and impact.	31 December 2026
3	The UNHCR Representation in Iran should conduct market analyses to inform its design and strategic approach to livelihoods for greater effectiveness.	Important	O	Receipt of evidence that the Representation has conducted market analyses to inform its design and strategic approach to livelihoods for greater effectiveness.	31 December 2026
4	The UNHCR Representation in Iran should enforce control procedures for the resettlement programme including reliable data and anti-fraud arrangements.	Important	C	NA	Implemented
5	The UNHCR Representation in Iran should reinforce its programme management through: (a) effective controls over implementing partners for constructions projects; and (b) enhanced monitoring of programme implementation.	Important	O	Receipt of evidence that tighter controls on construction process, including for monitoring, have been enforced to ensure expected benefits are achieved.	31 December 2026

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.

APPENDIX I

Management Response

MANAGEMENT RESPONSE

Audit of operations in the Islamic Republic of Iran for the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
1	The UNHCR Representation in Iran should reinforce its strategic and operational planning to ensure that funds are allocated to priority needs of forcibly displaced persons based on accurate data.	Important	Yes	Representative Deputy Representative	31 December 2026	<p>The UNHCR Representation in Iran continues to strengthen its strategic and operational planning to allocate resources based on reliable data and identified priority needs. In this context, the Representation has initiated a socio-economic survey of forcibly displaced Afghans, to be completed in 2026. Its findings will further inform operational planning and guide resource allocation based on verified needs and gaps.</p> <p>Strategic consultations through an embedded MFT approach with key stakeholders including refugees, partners and other relevant actors will take place in November 2025 for 2026 prioritization.</p> <p>In addition, a detailed review of UNHCR programming will be undertaken, also in view of the 7th Development Plan of the Government, to promote sustainability and complementarity where relevant. The Representation continues to advocate for access to</p>

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	UNHCR comments
						disaggregated population data with GIRI while using triangulated information, in collaboration with the Bureau and HQ, to support data-driven planning. Given anticipated funding constraints for 2026, the operation is optimizing available resources, including a streamlined staffing footprint, to strengthen programme delivery and maintain a high proportion of operational spending.
2	The UNHCR Representation in Iran should conduct an evaluation to inform its decisions on how to optimize the Universal Public Health Insurance scheme for greater coverage, accessibility and impact.	Important	Yes	Senior Programme Officer Programme Officer	31 December 2026	UNHCR agrees that an assessment of the UPHI is both timely and necessary, given the strategic significance of the program, its sustainability, and its role in enabling refugee inclusion within Iran's national systems. We are discussing with the UNHCR Evaluation Office on the most effective way forward, given the context..
3	The UNHCR Representation in Iran should conduct market analyses to inform its design and strategic approach to livelihoods for greater effectiveness.	Important	Yes	Senior Programme Officer Programme Officer	31 December 2026	UNHCR recognizes that livelihoods programming in Iran operates within a challenging environment, where GIRI considers interventions as support for eventual return to Afghanistan rather than for access to employment in Iran. These contextual constraints guide UNHCR's approach and emphasize the importance of designing realistic, evidence-based interventions.

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						<p>To this end, UNHCR Iran will conduct market analysis to better align interventions with local economic realities and refugee capacities, thereby improving programme relevance and sustainability, under the technical guidance and coordination by the Regional Bureau.</p> <p>To enhance relevance and impact, the selection of courses was done in coordination with the offices in the field as well as stakeholders at provincial level who have the understanding and knowledge of local job markets and skills needed. Coordination with the RRP Livelihoods Working Group is ongoing to avoid duplication and strengthen complementarity.</p> <p>Additionally, we are reinforcing our monitoring frameworks to track performance of implementing partners with a focus on accountability, transparency, and impact.</p>
4	The UNHCR Representation in Iran should enforce control procedures for the resettlement programme including reliable data and anti-fraud arrangements.	Important	Yes	Senior Protection Officer	31 December 2025	UNHCR confirms that oversight procedures, including those related to role segregation and data management, are in place. The Representation's Resettlement SOPs (April 2023) outline the segregation of duties, a and a comprehensive review conducted in March 2025 confirmed that controls currently in place are consistent with global standards

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						<p>outlined in the Resettlement Handbook.</p> <p>The Representation also has established separate SOPs on proGres v4 and BIMS Updates for RSD/RST Case Process (July 2024) to promote accurate data updates. As part of its monitoring mechanisms, The Representation also proactively initiated a round of data quality checks in proGres in July 2025 to maintain the accuracy and quality of registration data in proGres.</p> <p>Since 2024, Data Quality Checks have been implemented on an ongoing basis across all UNHCR Iran offices to support data reliability and timely correction of any entry errors. Compliance levels have remained consistently close to 100%.</p> <p>The Representation updated its anti-fraud SOPs in Q1 2025 to align with the revised 2024 Policy on Addressing Fraud Committed by Forcibly Displaced and Stateless Persons.</p> <p>All personnel have been trained on the updated anti-fraud procedures (Q1 2025). Training for security guards in Tehran was completed in Q3 2025, and sessions in Shiraz, Mashhad, Kerman, and Esfahan will be finalized by the end of November 2025. A training on the protection against retaliation policy, facilitated by the Ethics</p>

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						<p>Office, is planned for October 2025.</p> <p>The Representation started a verification exercise of the cases registered prior to 2022 and this will continue in parallel with new registration till all active cases will be up to date.</p> <p>The internal scoring tool is constantly monitored, updated and improved to respond to the operational needs and staffing capacities.</p> <p>The Representation will continue to closely monitor adherence and compliance with SOPs so that adequate control procedures for the resettlement programme including reliable data and anti-fraud arrangements are fully in place.</p>
5	The UNHCR Representation in Iran should reinforce its programme management through: (a) effective controls over implementing partners for constructions projects; and (b) enhanced monitoring of programme implementation.	Important	Yes	Programme Officer Assistant Project Control Officer	31 December 2026	<p>During the detailed planning process for 2026, the operation will assess and document the decisions of the most cost-effective modality for the construction projects that address the identified needs.</p> <p>Measures are already being taken to promote better utilization of facilities, more rigorous oversight of implementing partners, and clearer accountability frameworks to safeguard resources and maximize impact for displaced populations. Specifically, an updated monitoring tool with a revised site assessment checklist is</p>

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						being rolled out, and additional monitoring and control measures have been incorporated into the Project Workplan to reinforce management oversight.