



## INTERNAL AUDIT DIVISION

### REPORT 2014/084

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Audit of the operations in Côte d'Ivoire  
for the Office of the United Nations  
High Commissioner for Refugees

Overall results relating to the effective management of UNHCR operations in Côte d'Ivoire were initially assessed as partially satisfactory. Implementation of four important recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY  
SATISFACTORY

4 September 2014  
Assignment No. AR2013/111/03

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# AUDIT REPORT

## Audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees

### I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. The UNHCR Representation in Cote d'Ivoire (hereinafter referred to as 'the Representation') was opened in 1989 to assist refugees, returnees and other persons of concern with international protection and humanitarian assistance. As at December 2012, Côte d'Ivoire hosted approximately 125,000 internally displaced persons, 25,000 returnees, 750 asylum seekers and 4,000 refugees mainly from Liberia. According to the Government of Côte d'Ivoire, the number of stateless people was in 2013 estimated at 871,000.
4. The Representation worked with eight implementing partners in 2011, ten in 2012 and six in 2013. It had a branch/country office in Abidjan, a sub-office in Guiglo, a field office in Tabou and two field units in Danane and Toulépleu. It also had two refugee transit centres in Danane and Toulépleu.
5. The Representation had expenditures of \$13.4 million, \$17.0 million and \$16.7 million in 2011, 2012 and 2013 respectively. As at December 2013, the Representation had 73 authorized posts of which seven (two professional, three national officer and two general service posts), equivalent to 10 per cent, were vacant. The Representation's Plant, Property and Equipment (PPE) comprised of 522 assets with a purchase price of \$1.7 million and 570 Serially Tracked Items (STIs) with a purchase price of \$680,000.
6. Comments provided by UNHCR are incorporated in *italics*.

### II. OBJECTIVE AND SCOPE

7. The audit was conducted to assess the adequacy and effectiveness of the Representation's governance, risk management and control processes in providing reasonable assurance regarding the **effective management of UNHCR operations in Côte d'Ivoire**.
8. The audit was included in the 2013 internal audit work plan for UNHCR in consideration of the programme and protection risks associated with the forced displacement of people of concern in Côte d'Ivoire. Furthermore, the Côte d'Ivoire operations were last audited in 2010.
9. The key controls tested for the audit were: (a) project management; and (b) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:
  - (a) **Project management** - controls that are designed to provide reasonable assurance that there is accurate and complete monitoring and reporting of project activities.

(b) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures exist and are adequate and effective.

10. The key controls were assessed for the control objectives shown in Table 1.

11. OIOS conducted this audit from October to November 2013. The audit covered the period from 1 January 2011 to 31 August 2013.

12. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

### III. AUDIT RESULTS

13. The Representation governance, risk management and control processes examined were initially assessed as **partially satisfactory**<sup>1</sup> in providing reasonable assurance regarding the **effective management of UNHCR operations in Côte d’Ivoire**. OIOS made seven recommendations to address issues identified in the audit.

14. Project management was assessed as partially satisfactory because: (a) the monitoring of shelter and rehabilitation projects needed to be strengthened; (b) project control training needed to be completed for staff; and (c) the Representation needed to demonstrate that overheads were being correctly computed and partner contributions reflected in partner agreements. Regulatory framework was assessed as partially satisfactory because there was a need to strengthen local procedures and oversight for procurement and warehouse management.

15. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as the implementation of four important recommendations remains in progress.

Table 1  
Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of UNHCR operations in Côte d’Ivoire	(a) Project management	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(b) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
<b>FINAL OVERALL RATING: PARTIALLY SATISFACTORY</b>					

<sup>1</sup> A rating of “**partially satisfactory**” means that important (but not critical or pervasive) deficiencies exist in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## A. Project management

### Need to strengthen controls to ensure that shelter and rehabilitation projects are adequately monitored

16. UNHCR best practices require that technical staff or a technical unit are in place to oversee and monitor shelter activities where the country programme includes such activities. The involvement of technical staff is required to ensure that shelter projects are built according to standardized technical specifications and after proper consideration of cost elements. Furthermore, pro-active consultations between field representations and the Shelter and Settlement Section at Headquarters on UNHCR shelter guidelines are required to ensure the consistent quality of shelters.

17. The Representation implemented shelter and rehabilitation projects in Côte d'Ivoire totalling \$607,088 and \$308,628 in 2012 and 2013 respectively with the help of five implementing partners. In 2012, 1,071 shelters were repaired/constructed against a target of 1,170 (91 per cent achievement), while in 2013, 357 shelters were repaired/constructed against a target of 400 (89 per cent achievement).

18. The following weaknesses in the monitoring of the shelter and rehabilitation projects were identified:

- The Representation did not adequately monitor the construction progress of a transit centre in Toulépleu awarded to an implementing partner for \$26,611. As a consequence, it discovered belatedly that project progress was poor and the project had to be handed over to a new implementing partner at an additional cost of \$81,777.
- The Representation did not have technical staff or a technical unit to monitor shelter and rehabilitation projects. As a result, the Representation implemented projects without standardized technical specifications and adequate consideration of cost elements. Given that over \$1 million was spent on construction and rehabilitation of over 1,400 shelters between 2012 and 2013, it was essential that UNHCR was assured that funds of this magnitude were being used to construct and repair shelters to correct technical standards. A further \$790,000 had been budgeted for these projects in 2014. There were also reputational risks associated with technical standards of the shelters not being adequate for the dignified living conditions of UNHCR's persons of concern.
- The Representation did not consult the Shelter and Settlement Section for their input as required to ensure that shelters constructed or rehabilitated met UNHCR technical standards.

19. The above weaknesses were caused by the Representation not having local procedures containing requirements for monitoring and technical reviews of shelter projects in Côte d'Ivoire. As a result, the durability and quality of finish of shelters in Guiglo was poor and of lower quality compared to those in similar UNHCR operations. The presence of and monitoring by UNHCR technical staff would have ensured that UNHCR standards were maintained in the construction of these shelters.

**(1) The UNHCR Representation in Côte d'Ivoire should: (i) establish and implement local procedures including the requirement for regular monitoring to ensure that shelter project implementation is on schedule and within budget; (ii) create a technical unit with appropriate staffing levels; and, (iii) consult the Shelter and Settlement Section in Headquarters for its shelter and rehabilitation activities.**

*The Representation accepted recommendation 1 and stated that the Regional Shelter Officer based in Dakar conducted a mission to Abidjan, Guiglo and Tabou in July 2014 to review shelter activities and*

*develop and strengthen local procedures. The mission included a review of the current context of the operation and an analysis of the implementing partners' shelter capacities. The Representation in Côte d'Ivoire was awaiting the submission of the Regional Shelter Officer's mission report. Recommendation 1 remains open pending receipt of documentary evidence that local procedures for shelter and rehabilitation activities have been put in place, including the requirement to consult the Shelter and Settlement Section at Headquarters to ensure the consistent quality of shelters, and that a technical unit commensurate with staffing levels has been created.*

#### Need to provide training to staff to address weaknesses in financial monitoring

20. UNHCR rules stipulate that project expenditure incurred by implementing partners and reported in the Implementing Partner Financial Monitoring Report (IPFMR) should be verified before it is accepted by UNHCR and recorded in the Managing for Systems, Resources and People (MSRP) system, the UNHCR enterprise resource planning system. The main contents of each UNHCR implementing partner financial verification report should include: (a) a reconciliation between a partner's summary ledger and the IPFMR to ensure that the figures reported are complete and accurate; (b) documented tests of the detailed transactions that support summary figures to the extent necessary to obtain a level of confidence in the partner's management of and reporting on UNHCR funds; and (c) tests of expenditures focused on high value items and areas identified as high risk.

21. A review of nine financial verifications showed that: (a) in 2011 and 2012, the Representation did not verify whether implementing partner expenditure was within specified budgets, correct budget lines were used and internal control procedures for payments were in place prior to accepting and recording in MSRP; (b) verification teams did not adequately review financial supporting documents or high value items and areas identified as high risk; and (c) in 2013, while individual budget lines were reviewed, implementing partners were not asked to resubmit corrected versions of financial reports to remove overstated expenditure. In addition to the review of financial verifications done by UNHCR, OIOS visited two implementing partners with total expenditure of \$1.2 million and \$1.9 million respectively. At the first implementing partner \$16,626 of non-budgeted expenses relating to staff bonuses, severance pay and staff overtime were charged to UNHCR. The other implementing partner, towards the end of 2011 made commitments amounting to \$67,148 using its own funds without proper approval from UNHCR. This amount remained unresolved throughout 2012 and was only resolved in 2013 when these amounts were included in the partner's annual budget. This could have been avoided had regular financial monitoring been done by the Representation.

22. These weaknesses were attributed to a lack of proper training in project control procedures, and a lack of proper follow-up of weaknesses identified during prior monitoring visits. This could result in loss of resources for UNHCR and recording of incorrect expenditures in MSRP. The recovery of non-budgeted expenditure from one implementing partner remained outstanding.

**(2) The UNHCR Representation in Côte d'Ivoire should schedule project control training for local staff to improve their financial verification skills. The training should include guidance on: how to conduct financial verifications and draft verification reports; and the steps required before implementing partner expenditure reports are accepted by UNHCR and entered into the MSRP system.**

*The Representation accepted recommendation 2 and stated that it was preparing the training for field staff in Guiglo and Tabou. The two-day training would be conducted by the Project Control Officer. It would include the following main topics: UNHCR budget structure; UNHCR programme planning cycle; UNHCR project partnership agreements; project financial management and control; and monitoring and evaluation. The training would be conducted for six staff members and it would be*

completed before the end of the last quarter of 2014. Recommendation 2 remains open pending receipt of documentary evidence that the project control training has been conducted.

**(3) The UNHCR Representation in Côte d'Ivoire should pursue recovery of the non-budgeted expenditure of \$16,626 charged to the UNHCR budget by an Implementing Partner without UNHCR approval.**

*The Representation accepted recommendation 3 and stated that it had pursued the matter of the recovery with the implementing partner and in the end deducted the non-budgeted expenditure from the last instalment paid to the partner. Based on the action taken, recommendation 3 has been closed.*

Need to ensure that overhead support payments to international implementing partners are calculated correctly

23. UNHCR rules state that for an international implementing partner to be eligible for a contribution from UNHCR towards its headquarters support costs, the partner must make a significant and quantifiable contribution, with its own resources, to the individual project or country operation. This contribution needs to be properly documented in an implementing partner agreement and reported on in transparent manner and quantifiable terms.

24. The existing arrangements were inadequate because:

- The Representation made overpayments to some implementing partners in 2012 and 2013 due to incorrect overhead calculations. These overpayments amounted to \$37,653 in 2012 and \$32,878 in 2013. For 2012, the final reports had been finalized and, similarly, the 2013 project activities had already been concluded. As a result, recovery of these overpayments could no longer be requested since UNHCR had already signed off on the final financial reports relating to these years, thereby accepting them as correct.
- The Representation did not ensure that contributions were specified in the implementing partner agreements of one partner in 2011, three partners in 2012 and four partners in 2013. As a result, the Representation paid these international implementing partners overhead support without the partners satisfying the condition for overhead payment.

25. These weaknesses were attributed to lack of proper review procedures. As a consequence, UNHCR did not obtain the expected value from these implementing partners.

**(4) The UNHCR Representation in Côte d'Ivoire should put in place review procedures to ensure: (i) the correct computation of overhead support costs; and (ii) the fulfilment of the requirement that international partners make a significant and quantifiable contribution to be eligible for overhead payments.**

*The Representation accepted recommendation 4 and stated that it had ensured that all the overhead support costs budgeted for international Non-Governmental Organizations were correctly computed. The Representation was waiting for the partners' submission of their final narrative reports to evaluate their contribution to the project. Recommendation 4 remains open pending receipt of documentary evidence of the computation of the 2014 overhead support costs and that significant and quantifiable contributions from international implementing partners who received overhead payments in 2014 have been reported in their final narrative reports.*

## B. Regulatory framework

### Need to prepare annual procurement plans and to conduct procurement training

26. The Representation did not prepare the required annual procurement plans in 2011, 2012 and 2013 due to staff members not being fully conversant with the UNHCR procurement planning processes. This lack of planning resulted in procurement not being managed in an effective and cost efficient manner leading to hasty procurement actions. The following instances also indicated that the Representation was not obtaining the best value for money in its acquisition of services:

- Insurance cover for motor vehicles was to expire on 31 March 2013. Due to lack of proper planning, a rushed selection was initiated on 13 March 2013 with only two weeks to go, with invitations to tender sent out to three insurance firms. The insurance amount of FCFA 22.9 million (\$45,348) required a minimum of eight offers to be considered. Eventually only two firms responded. The Local Committee on Contracts (LCC) met on 19 March 2013 and made a decision based on an insufficient number of offers. Proper planning would have ensured this procedure was started well before the expiry of the insurance policies.
- For procurement of warehouse services, the LCC convened on 17 December 2012 which left insufficient time (less than two weeks) for the competitive bidding for warehouse services for the year 2013. As a result, the LCC decided to extend the contract with the existing supplier.

**(5) The UNHCR Representation in Côte d'Ivoire should: (i) put in place a mechanism to prepare annual procurement plans; and (ii) organise procurement related training for staff.**

*The Representation accepted recommendation 5 and stated that it would put in place a mechanism to prepare annual procurement plans. For 2015, the plan would be prepared in November 2014 along with the detailed operation plan. The Representation would also ensure that a schedule for training for staff on procurement is established. Recommendation 5 remains open pending receipt of documentary evidence that a mechanism has been put in place to prepare procurement plans based on needs assessments and that procurement training has been scheduled for staff particularly in administration and programme sections to ensure that they will become adequately conversant with UNHCR procurement rules and procedures.*

### Action was taken to put in place standard operating procedures for procurement

27. A review of 81 purchase orders representing \$2 million (or 60 per cent) of the total purchase orders value of \$3 million indicated that:

- The LCC retroactively approved the procurement of training facilities at a hotel for \$24,108. This occurred as the Administration Section of the Representation had made the reservation without sending the case to the Supply Unit for a formal procurement process.
- The Representation considered only two, instead of the eight required, vendors for the procurement of life vests for \$79,812.
- The Representation did not consistently ensure that proper supporting documents for procurement were maintained. For example, supporting documents were not available for two financial offers for procurement of insurance services and for the competitive bidding for the local procurement of five motor vehicles at a cost of \$87,806.



- The Representation did not conduct the required technical evaluation of construction contracts for the rehabilitation of a training centre in Tabou at a cost of \$13,322.
- The Representation did not consistently use competitive selection procedures for service contracts. This was the case for cleaning and warehouse services. The Representation also used the services of a clearing agent from 1997 up to 2012 without evidence of competitive bidding. For warehousing services, UNHCR had used the same supplier since 2005 and although the procurement threshold was exceeded, the Representation did not bring this case to the attention of the LCC on an annual basis.

28. These weaknesses were attributed to a lack of local Standard Operating Procedures resulting in UNHCR not obtaining value for money on some of its procurement.

**(6) The UNHCR Representation in Côte d'Ivoire should put in place Standard Operating Procedures for procurement. These should include guidance on: the use of correct number of bids; submissions to the Local Committee on Contracts; conducting technical evaluations where required; and maintenance of appropriate supporting documentation.**

*The Representation accepted recommendation 6 and stated that it had put in place Standard Operating Procedures for procurement and shared them with all staff on 9 May 2014. Based on the action taken, recommendation 6 has been closed.*

Action was taken to ensure timely updating of inventory records and adequate segregation of duties

29. UNHCR rules require the Representation to ensure: (i) the maintenance of accurate stock records including updated bin cards; (ii) that inventory is correctly reflected in MSRP records; and (c) compliance with the principle of segregation of duties and tasks associated with warehousing, such as receiving, issuing functions and record keeping that should be entrusted to different individuals. The above is required whether UNHCR is managing the warehouse or whether this is being managed through an implementing partner, in which case regular monitoring by the Representation should be conducted to ensure UNHCR rules are followed.

30. Regarding the warehouse in Abidjan managed by an implementing partner on behalf of UNHCR:

- The Representation did not put in place adequate segregation of duties. The warehouse was managed by one individual who was responsible for all warehouse tasks including receiving, issuing, updating inventory balances and bin cards as well as carrying out stock counts. This could have led to errors and misstatement of inventory balances.
- The Representation did not properly verify stock balances to ensure that these were accurately reflected. Sample counts for six of ten items (sleeping mats, plastic tarpaulins, soap, plastic buckets and condoms) included differences between the actual quantities on hand and the balances recorded in the bin cards and MSRP.
- The Representation did not update the bin cards at the warehouse following a physical stock taking to indicate the dates and quantities of items counted.

31. The above weaknesses were attributed to the lack of proper monitoring and oversight.

**(7) The UNHCR Representation in Côte d’Ivoire should increase management oversight to ensure that: there is adequate segregation of duties at the warehouse; differences in stock levels are reconciled; and bin cards are updated on a timely basis.**

*The Representation accepted recommendation 7 and stated that since the beginning of 2014, warehousing activities were carried out directly by UNHCR. While waiting for the recruitment of a national United Nations Volunteer warehouse manager, the Supply Associate had been assigned the role of Warehouse Management Focal Point under the supervision of the Supply Officer. Differences in stocks had now been reconciled and the bin cards had been updated. Furthermore, the Representation was now doing a monthly reconciliation of stock in addition to the quarterly physical verification of stock. Based on the action taken, recommendation 7 has been closed.*

#### **IV. ACKNOWLEDGEMENT**

32. OIOS wishes to express its appreciation to the Management and staff of the United Nations High Commissioner for Refugees Representation in Côte d’Ivoire for the assistance and cooperation extended to the auditors during this assignment.

(Signed) David Kanja  
Assistant Secretary-General for Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees

Recom. no.	Recommendation	Critical <sup>2</sup> / Important <sup>3</sup>	C/ O <sup>4</sup>	Actions needed to close recommendation	Implementation date <sup>5</sup>
1	The UNHCR Representation in Côte d'Ivoire should: (i) establish and implement local procedures including the requirement for regular monitoring to ensure that shelter project implementation is on schedule and within budget; (ii) create a technical unit with appropriate staffing levels; and, (iii) consult the Shelter and Settlement Section in Headquarters for its shelter and rehabilitation activities.	Important	O	Submission to OIOS of documentary evidence that local procedures for shelter and rehabilitation activities have been put in place, including the requirement to consult the Shelter and Settlement Section at Headquarters to ensure the consistent quality of shelters, and that a technical unit commensurate with staffing levels has been created.	31 December 2014
2	The UNHCR Representation in Côte d'Ivoire should schedule project control training for local staff to improve their financial verification skills. The training should include guidance on: how to conduct financial verifications and draft verification reports; and the steps required before implementing partner expenditure reports are accepted by UNHCR and entered into the MSRP system.	Important	O	Submission to OIOS of documentary evidence that the project control training has been conducted.	31 December 2014
3	The UNHCR Representation in Côte d'Ivoire should pursue recovery of the non-budgeted expenditure of \$16,626 charged to the UNHCR budget by an Implementing Partner without UNHCR approval.	Important	C	Action completed.	Implemented
4	The UNHCR Representation in Côte d'Ivoire should put in place review procedures to ensure: (i) the correct computation of overhead support costs;	Important	O	Submission to OIOS of documentary evidence of the computation of the 2014 overhead support costs and that significant and quantifiable	1 September 2014

<sup>2</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>3</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>4</sup> C = closed, O = open

<sup>5</sup> Date provided by UNHCR in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees

Recom. no.	Recommendation	Critical <sup>2</sup> / Important <sup>3</sup>	C/ O <sup>4</sup>	Actions needed to close recommendation	Implementation date <sup>5</sup>
	and (ii) the fulfilment of the requirement that international partners make a significant and quantifiable contribution to be eligible for overhead payments.			contributions from international implementing partners who received overhead payments in 2014 have been reported in their final narrative reports.	
5	The UNHCR Representation in Côte d'Ivoire should: (i) put in place a mechanism to prepare annual procurement plans; and (ii) organise procurement related training for staff.	Important	O	Submission to OIOS of documentary evidence that a mechanism has been put in place to prepare procurement plans based on needs assessments and that procurement training has been scheduled for staff particularly in administration and programme sections.	31 December 2014
6	The UNHCR Representation in Côte d'Ivoire should put in place Standard Operating Procedures for procurement. These should include guidance on: the use of correct number of bids; submissions to the Local Committee on Contracts; conducting technical evaluations where required; and maintenance of appropriate supporting documentation.	Important	C	Action completed.	Implemented
7	The UNHCR Representation in Côte d'Ivoire should increase management oversight to ensure that: there is adequate segregation of duties at the warehouse; differences in stock levels are reconciled; and bin cards are updated on a timely basis.	Important	C	Action completed.	Implemented

# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>6</sup> / Important <sup>7</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Côte d'Ivoire should: (i) establish and implement local procedures including the requirement for regular monitoring to ensure that shelter project implementation is on schedule and within budget; (ii) create a technical unit with appropriate staffing levels; and, (iii) consult the Shelter and Settlement Section in Headquarters for its shelter and rehabilitation activities.	Important	Yes	Deputy Representative (Operations)	4 <sup>th</sup> quarter 2014	The Regional Shelter Officer based in Dakar conducted a mission to Abidjan, Guiglo and Tabou in July 2014 to review shelter activities and develop and strengthen local procedures. The mission included a review of the current context of the operation and an analysis of the implementing partners' shelter capacities. The Representation in Côte d'Ivoire is awaiting the submission of the Regional Shelter Officer's mission report.
2	The UNHCR Representation in Côte d'Ivoire should schedule project control training for local staff to improve the financial verification skills. The training should include guidance on: how to conduct financial verifications, drafting verification reports; and the steps required before implementing partner expenditure reports are accepted by UNHCR and input into the system.	Important	Yes	Project Control Officer	4 <sup>th</sup> quarter 2014	The UNHCR Representation in Côte d'Ivoire is preparing the training for field staff in Guiglo and Tabou. The two day training will be conducted by the Project Control Officer. It will include the following main topics: <ul style="list-style-type: none"> <li>- UNHCR Budget structure</li> <li>- UNHCR Programme planning cycle</li> <li>- UNHCR Project Partnership Agreements</li> <li>- Project financial management and Control.</li> <li>- Monitoring and evaluation.</li> </ul>

<sup>6</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>7</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## Management Response

## Audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>6</sup> / Important <sup>7</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						The training will be conducted for six staff members and it will be completed before the last quarter of 2014.
3	The UNHCR Representation in Côte d'Ivoire should pursue recovery of the non-budgeted expenditure of \$16,626 charged to the UNHCR budget by the Implementing Partner without approval.	Important	Yes	Senior Programme Officer	July 2014	The UNHCR Representation in Côte d'Ivoire pursued the matter of the recovery with the implementing partner; Finally the Representation deducted the non-budgeted expenditure from the last instalment paid to partner.
4	The UNHCR Representation in Côte d'Ivoire should put in place review procedures to ensure: (i) the computation of overhead support costs is correctly done; and (ii) fulfilment of the requirement that international partners make a significant and quantifiable contribution to be eligible for overhead payments.	Important	Yes	Senior Programme Officer	1 <sup>st</sup> September 2014	The UNHCR Representation in Côte d'Ivoire ensured that all the overhead support costs budgeted for international NGO's were correctly computed. The Representation is waiting for the partners submission of their final narrative reports to evaluate their contribution to the project.
5	The UNHCR Representation in Côte d'Ivoire should: (i) put in place a mechanism to prepare annual procurement plans; and, (ii) schedule procurement related training for staff.	Important	Yes	Programme officer, Administration Officer Supply Officer	4 <sup>th</sup> quarter 2014	The Representation will put in place a mechanism to prepare annual procurement plans. For 2015, the plan will be prepared in November 2014 along with the detailed operation plan. The Representation will ensure that a schedule for training for staff on procurement is established.
6	The UNHCR Representation in Côte d'Ivoire should put in place Standard Operating	Important	Yes	Supply Officer	09 May 2014	The Representation put in place Standard Operation Procedures

## Management Response

## Audit of the operations in Côte d'Ivoire for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>6</sup> / Important <sup>7</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	Procedures for procurement. These should include guidance on: the use of correct number of bids; submissions to the Local Committee on Contracts, conducting technical evaluations where required and the maintenance of appropriate supporting documentation.					(SOP) for procurement and shared them with all staff on 9 <sup>th</sup> May 2014.
7	The UNHCR Representation in Côte d'Ivoire should increase management oversight to ensure that: there is adequate segregation of duties at the warehouse; differences in stock are reconciled; and bin cards are updated on a timely basis.	Important	Yes	Management decision	Implemented July 2014 and ongoing	Since the beginning of 2014, warehousing activities were carried out directly by UNHCR. While waiting for the recruitment of national a UNV warehouse manager, the Supply Associate has been assigned the role of Warehouse Management focal Point under the supervision of the Supply Officer. Differences in stocks have now been reconciled and the bin cards are updated. Furthermore, the Representation is now doing a monthly reconciliation of stock in addition to the quarterly physical verification of stocks.