



## INTERNAL AUDIT DIVISION

### REPORT 2015/008

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

Overall results relating to management of the  
operations in Burkina Faso were initially  
assessed as partially satisfactory.  
Implementation of three important  
recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY  
SATISFACTORY

2 February 2015  
Assignment No. AR2014/111/02

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# AUDIT REPORT

## Audit of the operations in Burkina Faso 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 Burkina Faso for the Office of the United Nations High Commissioner for Refugees.
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 Burkina Faso (hereinafter referred to as ‘the Representation’) was opened in April 2012 to provide assistance to Malian refugees fleeing violence and attacks from rebel groups in northern Mali. As at February 2014, the Representation provided assistance to 34,783 refugees, of whom 99 per cent were Malian. Some 20,451 refugees (59 per cent) lived in three consolidated refugee camps, namely Mentaou, Goudoubo and Sag-nioniogo, while 8,192 (24 per cent) resided in host villages in the Sahel region and 4,431 refugees (13 per cent) lived in five spontaneous sites. There were also 1,709 urban refugees (5 per cent) from Chad, the Republic of the Congo, Rwanda, Burundi and the Democratic Republic of the Congo amongst others, who were assisted by the Representation.
4. The Representation had a branch office in Ouagadougou, a field office in Dori, and field units in Djibo, Bobo Dioulasso and Gorom Gorom. As at May 2014, it had eight international staff, including a Representative at the D-1 level, eight national officers, 57 general service staff and 22 United Nations Volunteers. The Representation had expenditures of \$20.7 million in 2012 and \$24.1 million in 2013. It worked with 14 implementing partners in 2012 and 19 in 2013.
5. Comments provided by UNHCR are incorporated in *italics*.

### II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of UNHCR governance, risk management and control processes in providing reasonable assurance regarding the **effective management of UNHCR operations in Burkina Faso**.
7. The audit was included in the 2014 risk based internal audit work plan for UNHCR due to the risks associated with the large influx of Malian refugees into Burkina Faso.
8. 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 provide reasonable assurance that there is accurate and complete monitoring and reporting of the Representation’s project activities.

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

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

10. OIOS conducted this audit from April to July 2014. The audit covered the period from 1 April 2012 to 28 May 2014. During the audit, OIOS visited the UNHCR branch office in Ouagadougou and the field office in Dori.

11. 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

12. The UNHCR 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 Burkina Faso**. OIOS made eight recommendations to address issues identified in the audit.

13. Project management was assessed as partially satisfactory because there was a need to: (a) develop and monitor quantitative indicators and assess the resource requirements to achieve minimum standards for refugee living conditions; (b) strengthen capacity building of implementing partners; (c) strengthen controls over follow-up of external audit recommendations; and (d) strengthen controls over overhead support payments to international partners. Regulatory framework was assessed as partially satisfactory because there was a need to: (a) provide training for procurement staff and strengthen procurement supervisory review procedures; (b) fully verify assets and update relevant records; (c) address the high accident rate of motor vehicles; and (d) put in place an action plan to ensure full implementation of the Minimum Operating Security Standards.

14. 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 three important recommendations remains in progress.

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<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.

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 Burkina Faso	(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>					

## A. Project management

Need to develop and monitor quantitative indicators and assess the resource requirements to achieve minimum standards for refugee living conditions

15. According to the UNHCR Practical Guide to the Systematic Use of Standards and Indicators in UNHCR operations, the Representation is required to develop quantitative indicators and monitor them against established standards in both camp and non-camp situations so as to objectively assess refugee living conditions.

16. In 2012, the Representation prepared camp indicator reports for the refugees living in camps. Most of the indicators in the Goudoubo and Sag-nioniogo camps met the minimum recommended standards. However, in the Mentao camp, the indicators did not meet the minimum standards in several areas, such as protection, health, sanitation and education. Despite this, camp indicator reports were not prepared for 2013. In addition, while the Representation conducted and documented assessments of a qualitative nature of the living conditions for the 12,623 refugees (36 per cent of the refugee population) living in host villages and spontaneous sites, it did not undertake any quantitative assessments in this regard.

17. The Representation cited inadequate resources as the reason why some of the standards were not met. However, it had not prepared an assessment of the resources needed to help raise the indicators to at least the minimum levels. In addition, the Representation was not aware that the development of quantitative indicators and the documentation of monitoring activities using such indicators were mandatory UNHCR requirements.

18. The absence of quantitative indicators and their continuous monitoring prevented the Representation from making a more objective assessment of the living conditions in both camp and non-camp situations and the corrective actions that needed to be taken to bring indicators above the minimum standards. This increased the risk of refugees living in conditions below the recommended minimum standards, thus affecting their welfare and exposing UNHCR to a reputational risk.

**(1) The UNHCR Representation in Burkina Faso should: (i) develop quantitative indicators to monitor the living conditions of refugees living in host villages and spontaneous sites; and (ii) assign sufficient resources for ensuring that refugee living conditions in both camp and non-camp situations in Burkina Faso meet UNHCR standards.**

*UNHCR accepted recommendation 1 and stated that, in 2014, UNHCR and partners undertook several monitoring activities in camps and non-camps based on needs assessments, in order to meet UNHCR minimum standards for refugees living conditions. These monitoring activities permitted to assist out of camps refugees, and collect data on protection cases, including new births, facilitated returns, new arrivals and spontaneous departures, sexual and gender based violence cases, unaccompanied child status, status of documentation, the distribution of food and non-food-items, health activities, and income generating activities. Regarding refugees living in camps, regular camp profiles for each of the three camps were produced. In addition, the office resumed the use of standards and indicators report to identify and address the unmet needs. Starting 2015, quantitative and qualitative indicators were selected from the result framework and the appropriate mechanisms would be put in place to ensure that refugee living conditions in non-camps meet the UNHCR standards. Likewise, quarterly site profiles would be developed for non-camps. Recommendation 1 remains open pending receipt of evidence that resources have been reprioritised, including for continuous monitoring activities, to ensure that refugee living conditions meet the standards developed.*

Action was taken to strengthen capacity building of implementing partners

19. The UNHCR Manual states that implementing partners whose performance does not meet qualitative criteria require special attention by the Representation. It specifically requires the Representation to make proactive interventions in terms of training and coaching to ensure that implementing partners continue to meet the established requirements. If required performance and quality criteria cannot be met within reasonable time frames, the relevant agreements with partners should be terminated.

20. The Representation conducted 24 capacity building sessions for implementing partners in 2013 and 2014 in the areas of protection, camp management, asset management and inventory management. However, only one day was dedicated in February 2014 to financial management. The Representation had also not provided any capacity building sessions on procurement, which was an inherently high risk area. Given that external audits conducted on implementing partners in 2012 and 2013 had identified control weaknesses in financial management and procurement, there was a need for the Representation to ensure appropriate capacity building activities also in these areas.

21. The cause for the above shortcoming was that the Representation did not have a plan for implementing partner capacity building activities that was based on identified risks and control deficiencies. As a result, there was a risk that weaknesses at implementing partners were not adequately addressed to the detriment of the value that the Representation was deriving from partners implementing activities on its behalf.

**(2) The UNHCR Representation in Burkina Faso should develop a risk-based annual plan for capacity building activities for implementing partners.**

*UNHCR accepted recommendation 2 and stated that the Representation implemented this recommendation during the last quarter of 2014. An annual risk-based training plan for capacity building for 2015 was developed and would be executed accordingly. Based on the action taken and documentation provided by UNHCR, recommendation 2 has been closed.*

Action was taken to strengthen controls over follow-up of external audit recommendations

22. The UNHCR Manual requires the Representation to undertake a systematic review of the external audit recommendations related to implementing partner financial statements that are issued with qualified audit opinions. The Representation should complete a follow-up matrix indicating the date when

corrective actions would be taken and submit the matrix to the Accounts and Financial Service of the Division of Financial and Administrative Management.

23. Eight implementing partners received qualified audit opinions in 2013 mainly due to lack of adequate supporting documentation for expenditures. The Representation was following up on the external audit recommendations of these implementing partners. However, the correct follow-up matrix indicating the date when specific actions would be taken was not used, compromising the accountability for the follow-up. Furthermore, the requirement to send the follow-up matrices to the Accounts and Financial Service was not complied with.

24. The above-mentioned shortcomings occurred because the Representation was not aware of all the UNHCR requirements for follow-up of external audit recommendations. As a result, there was a risk that the identified control weaknesses at the implementing partners would not be addressed in a timely manner.

**(3) The UNHCR Representation in Burkina Faso should enhance accountability for follow-up on external audit recommendations by using the correct matrix indicating the date by which remedial action will need to be taken and complying with the requirement to submit the follow-up matrices to UNHCR Headquarters.**

*UNHCR accepted recommendation 3 and stated that the Representation was now using the correct matrix indicating the date by which remedial action would need to be taken for the follow-up of pending 2013 external audit reports. The Representation undertook consultations with the Implementing Partnership Management Service at Headquarters on the follow-up of external audit recommendations, in order to close pending reports. The Representation would make use of this matrix for the follow-up of the 2014 audit reports. Based on the action taken and documentation provided by UNHCR, recommendation 3 has been closed.*

#### Management of overhead support payments to international partners needed improvement

25. The UNHCR Manual requires that when the total budget for local procurement undertaken by the international partner exceeds 30 per cent of total project value, the Representation should take the whole amount budgeted for local procurement out of the overhead support payment calculation. It also requires the Representation to ensure that international implementing partner agreements properly document the significant and quantifiable contributions made by the partners to the country operation with their own resources, in order to qualify for a UNHCR contribution towards international support costs.

26. A review by OIOS of the overhead support payment calculations for 15 international partners between 2012 and 2014 showed that overpayments totalling \$210,180 (\$78,806 in 2012 related to seven partners; \$104,802 in 2013 related to seven partners; and \$26,572 in 2014 related to five partners) had been made due to errors in calculating the local procurement amounts. In addition, for six international partners in 2012 and 2013 respectively and three partners in 2014, the partners' own contributions to the UNHCR country operation in Burkina Faso were neither articulated nor quantified in the implementing partner agreements or the final narrative reports.

27. The above deficiencies occurred because the Representation had not reviewed and clearly communicated to its partners details of the types of transactions that could be considered to be local procurement. In addition, as the overpayments were due to errors in calculations, the Representation had not exercised enough care in calculating the overhead support costs prior to their inclusion in the implementing partner agreement budgets. These deficiencies had resulted in loss of financial resources to the Representation.

**(4) The UNHCR Representation in Burkina Faso should: (i) put in place adequate review procedures to ensure that the requirements for reporting on the significant and quantifiable contributions are met by international implementing partners and the calculations of overhead support costs are accurate; and (ii) recover the overpayments made to international partners in 2012, 2013 and 2014 amounting to \$210,180.**

*UNHCR accepted recommendation 4 and stated that the excess overhead payments made in 2014 to three partners had been addressed through budget revisions. Regarding partners' quantifiable contributions to the projects, the latest revisions of the agreements of all other partners in 2014 allowed the operation to document and insert their contribution in the revised agreements. For 2015, an official letter had been sent to all partners to remind them of their obligation to document their contribution to the projects. The Representation would ensure that all partners' contributions would be properly documented and incorporated in 2015 agreements. Regarding the recommendation to recover the overpayment made to partners in 2012 and 2013, these overpayments could not be recovered since the reports for these years had already been authorized, approved, recorded and closed. In addition, the partnership with most of the partners that had worked with UNHCR in 2012 and 2013 had already ended. Recommendation 4 remains open pending receipt of evidence that the partner contributions have been systematically documented in the approved 2015 agreements, in accordance with the UNHCR rules.*

## **B. Regulatory framework**

Need to provide procurement training for staff and put in place procedures to ensure procurement rules are complied with

28. The UNHCR Manual requires the Representation to submit all procurement transactions over \$20,000 for review and approval by the relevant committee on contracts. It also outlines the number of offers that are required to be received for each procurement, based on the value involved. It further requires the Representation to use, especially for complex procurement cases, a point scoring system where various technical evaluation criteria are given relative weights or percentages according to their importance.

29. The Representation raised a total of 334 purchase orders amounting to \$5.6 million in the period from 1 April 2012 to 28 May 2014. A review of 30 purchase orders amounting to \$1.6 million (29 per cent of all procurement) noted that 25 of these procurement cases were duly scrutinised and approved by the relevant committees on contracts. However, control weaknesses were identified in the following five cases valued at \$454,676:

- The Representation only received four instead of 16 offers for the purchase of 66 motorcycles for \$196,680. It did not seek approval from the Regional Committee on Contracts as required, and did not undertake a comparison to assess if it had been cheaper to procure the motorcycles via international procurement through UNHCR headquarters. The Representation cited emergency reasons for not complying with the procedures in this case.
- In the procurement for rehabilitation and construction of offices in Djibo for \$176,136, although the Representation considered different criteria in the technical evaluation of the bids, it did not weight these criteria as required.
- For the purchase of three generators for \$31,800, although the selected supplier was not the cheapest, the Representation did not weight other criteria used in the technical evaluation of the bids, including brand quality, delivery time, after sales service and availability of spare parts.



- In the procurement of 1,500 hygienic kits for \$37,963, the Representation did not use appropriate weighting for technical criteria used in selection process.
- The Representation only considered three offers instead of the eight required in the procurement for transportation of 120 tons of non-food items from Ouaga to Dori valued at \$12,097.

30. The above-mentioned shortcomings were attributed to inadequate training provided to the Representation's procurement staff on the UNHCR procurement rules and procedures. In addition, there was a lack of proper supervisory reviews to ensure that all provisions of UNHCR procurement guidelines were complied with on a consistent basis. As a result of these shortcomings, the Representation was at risk of not consistently getting value for money in its procurement of goods and services.

**(5) The UNHCR Representation in Burkina Faso should: (i) provide procurement training for its staff; and (ii) put in place procedures, including appropriate supervisory reviews, to ensure full compliance with UNHCR procurement rules.**

*UNHCR accepted recommendation 5 and stated that the supply section in Burkina Faso was planning to dispense procurement training for all the procurement staff to ensure full compliance with procurement rules. Terms of Reference and training modules were ready and this training would take place in February 2015. Additionally, the senior staffs of supply were to participate in procurement training for the region that would take place in April 2015 in Dakar. This senior staff training would be organized by the Regional Representation for West Africa supply section and the Supply Management and Logistics Service. Recommendation 5 remains open pending receipt of evidence that procurement training for procurement staff has been undertaken and that compliance with UNHCR procurement rules and procedures is systematically reviewed and monitored.*

Action was taken to verify assets and to update relevant records

31. The UNHCR policy on serially tracked items (STI) requires the Representation to perform an annual and full physical verification of all STIs. This includes barcoding and registering of the STIs in Managing Systems, Resources and People (MSRP), the UNHCR enterprise resource planning system. Further, the UNHCR policy on annual physical verification of property, plant and equipment (PPE) requires the Representation to undertake a physical verification of PPE assets held by implementing partners under Right of Use agreements.

32. The Representation's PPE assets comprised of 53 items with a purchase price of \$1.7 million and 277 STIs with a purchase price of \$547,577. The Representation conducted the physical verification of STIs in 2012 and of PPEs in 2012 and 2013 respectively. OIOS randomly selected various PPE assets and STIs and checked them against the asset listings recorded in MSRP. The following shortcomings were noted:

- Three laptops each valued at \$1,700 were not listed on the STI report of 13 May 2014. Also, one laptop valued at \$1,700 did not have a UNHCR barcode; and
- There were discrepancies in the right of use agreements of implementing partners as some assets were shown on the physical verification list but did not appear in the right of use agreement. They were valued \$31,236 in 2012 and \$156,303 in 2013. In addition, one implementing partner had four PPE assets valued at \$150,645 which were not included in the right of use agreement.

33. The above shortcomings were attributed to a lack of adequate staffing to assist with the physical verification exercises and updating of the right of use agreements. As a result of the errors in the STI and

PPE records, the Representation was exposed to a risk of loss of assets. Furthermore, not having all assets registered in MSRP could have resulted in unaccounted for or missing assets.

**(6) The UNHCR Representation in Burkina Faso should develop an action plan for: implementing adequate monitoring and verification exercises to determine the correct quantity and location of all property, plant and equipment assets and serially tracked items, including those transferred to implementing partners under right of use agreements; and updating the relevant asset records.**

*UNHCR accepted recommendation 6 and stated that the Representation had completed the verification, update and reconciliation of Plant, Property and Equipment and Serially Tracked Items, including those transferred to implementing partners under the right of use agreements. Based on the action taken and documentation provided by UNHCR, recommendation 6 has been closed.*

Action was taken to address the high accident rates of motor vehicles

34. The UNHCR policy on the use of vehicles requires official drivers and other individuals authorized to drive vehicles owned by the Representation to exercise utmost care and caution in all handling of the vehicles. Any expenses not covered by insurance resulting from accidents caused by gross negligence should be borne by the staff member or other authorized individual. Similarly, right of use agreements with partners state that ‘the recipient shall be held fully responsible for all assets on loan from UNHCR under the Agreement and shall be financially responsible for all assets on loan from UNHCR that are damaged, lost, stolen or third party liability’.

35. There were 15 motor vehicle accidents in 2012 and 2013 with total damages amounting to \$121,678. The accidents included six cases (40 per cent) where the Representation was the custodian of the concerned vehicles and nine cases (60 per cent) where the implementing partners were the custodians. However, only \$18,803 (15 per cent) of the total value of the repairs was paid by the partners, while \$102,875 (85 per cent) was paid or payable by the Representation. The partners were not being held fully accountable for the damage in the above cases. In all six custody cases pertaining to the Representation, the police report indicated the driver was at fault but no financial responsibility was determined as required. There were also five instances of repair costs above \$7,500 where the cost of repair could have been weighed against the cost of disposal or replacement.

36. The above weaknesses were attributed to the lack of implementation of proper controls over the use of motor vehicles and lack of strict enforcement of the UNHCR policy and article 5 of the right of use agreement with the partners. If not properly addressed, these weaknesses were likely to continue to cause financial losses to the Representation.

**(7) The UNHCR Representation in Burkina Faso should: (i) strengthen controls to reduce the incidence of motor vehicle accidents; (ii) remind implementing partners to exercise care in using UNHCR vehicles since they are fully accountable for all costs of repair; and (iii) obtain guidance from UNHCR Headquarters on the vehicle accident repair cost thresholds beyond which disposal of relevant vehicles should be considered.**

*UNHCR accepted recommendation 7 and stated that a recent review of the incidence involving motor vehicle accidents had shown an important decrease in the cases reported in 2014 compared to 2013 and 2012. This was mainly due to the different actions that had been undertaken by the office to strengthen controls to reduce accidents. In 2014, two trainings were provided to all technicians and drivers of the operations during which emphasis was put on the conditions of usage of UNHCR equipment (vehicles), the UNHCR procedures in case of accidents, and the basic principle of utilization of vehicles.*

*Additionally, the Representation had sent a correspondence to all implementing partners reminding them to exercise care in using UNHCR vehicles as well as their obligation, responsibility and accountability of bearing for all costs of repair, should motor vehicles be involved in accidents in the future. Based on the action taken and documentation provided by UNHCR, recommendation 7 has been closed.*

Action was taken to ensure full implementation of Minimum Operating Security Standards

37. In accordance with the United Nations Security Management System, all United Nations agencies are required to comply with Minimum Operating Security Standards (MOSS). It is a UNHCR policy that Representations should conduct a MOSS compliance assessment twice a year.

38. None of the Representation's offices in Burkina Faso had been assessed as fully MOSS compliant. Only one MOSS compliance assessment had been undertaken in 2013. In that assessment, the Representation had identified a number of weaknesses which had still not been addressed by the time of the audit in May 2014.

39. The shortcomings observed were caused by lack of adequate staffing and procedures to ensure that MOSS was assessed as required, and the lack of a plan to ensure that action was duly taken to ensure that the minimum standards were attained. As a result of non-compliance with MOSS, UNHCR staff in Burkina Faso were exposed to safety and security hazards.

**(8) The UNHCR Representation in Burkina Faso should: (i) put in place an action plan to implement the required security improvements to ensure full Minimum Operating Security Standards compliance; (ii) ensure that the Minimum Operating Security Standards requirements are assessed twice a year as required.**

*UNHCR accepted recommendation 8 and stated that the Representation had completed the MOSS evaluation of all of its offices and, as a result, all offices were now MOSS compliant. This exercise was undertaken by the Security Advisor of UNDSS and the field security advisers. Based on the action taken and documentation provided by UNHCR, recommendation 8 has been closed.*

#### IV. ACKNOWLEDGEMENT

40. OIOS wishes to express its appreciation to the Management and staff of the UNHCR Representation in Burkina Faso 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 Burkina Faso 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 Burkina Faso should: (i) develop quantitative indicators to monitor the living conditions of refugees living in host villages and spontaneous sites; and (ii) assign sufficient resources for ensuring that refugee living conditions in both camp and non-camp situations in Burkina Faso meet UNHCR standards.	Important	O	Submission to OIOS of evidence that resources have been reprioritised, including for continuous monitoring activities, to ensure that refugee living conditions meet the standards developed.	30 June 2015
2	The UNHCR Representation in Burkina Faso should develop a risk-based annual plan for capacity building activities for implementing partners.	Important	C	Action completed	Implemented
3	The UNHCR Representation in Burkina Faso should enhance accountability for follow-up on external audit recommendations by using the correct matrix indicating the date by which remedial action will need to be taken and complying with the requirement to submit the follow-up matrices to UNHCR Headquarters.	Important	C	Action completed	Implemented
4	The UNHCR Representation in Burkina Faso should: (i) put in place adequate review procedures to ensure that the requirements for reporting on the significant and quantifiable contributions are met by international implementing partners and the calculations of overhead support costs are accurate; and (ii) recover the overpayments made to international partners in 2012, 2013 and 2014 amounting to \$210,180.	Important	O	Submission to OIOS of evidence that the partner contributions have been systematically documented in the approved 2015 agreements.	30 March 2015

<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 Burkina Faso 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>
5	The UNHCR Representation in Burkina Faso should: (i) provide procurement training for its staff; and (ii) put in place procedures, including appropriate supervisory reviews, to ensure full compliance with UNHCR procurement rules.	Important	O	Submission to OIOS of evidence that procurement training for procurement staff has been undertaken and that compliance with UNHCR procurement rules and procedures is systematically reviewed and monitored.	30 May 2015
6	The UNHCR Representation in Burkina Faso should develop an action plan for: implementing adequate monitoring and verification exercises to determine the correct quantity and location of all property, plant and equipment assets and serially tracked items, including those transferred to implementing partners under right of use agreements; and updating the relevant asset records.	Important	C	Action completed	Implemented
7	The UNHCR Representation in Burkina Faso should: (i) strengthen controls to reduce the incidence of motor vehicle accidents; (ii) remind implementing partners to exercise care in using UNHCR vehicles since they are fully accountable for all costs of repair; and (iii) obtain guidance from UNHCR Headquarters on the vehicle accident repair cost thresholds beyond which disposal of relevant vehicles should be considered.	Important	C	Action completed	Implemented
8	The UNHCR Representation in Burkina Faso should: (i) put in place an action plan to implement the required security improvements to ensure full Minimum Operating Security Standards compliance; (ii) ensure that the Minimum Operating Security Standards requirements are assessed twice a year as required.	Important	C	Action completed	Implemented

# **APPENDIX I**

## **Management Response**



## Management Response

## Audit of the operations in Burkina Faso 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
	implementing partners.					
3	The UNHCR Representation in Burkina Faso should enhance accountability for follow-up on external audit recommendations by using the correct matrix indicating the date by which remedial action will need to be taken and complying with the requirement to submit the follow-up matrices to UNHCR Headquarters.	Important	Yes	Associate Project Control Officer	30/07/2014          14/05/2015	<p>The Representation now uses the correct matrix indicating the date by which remedial action will need to be taken for the follow-up of 2013 pending external audit reports.</p> <p>The Representation has undertaken consultations with the Implementing Partnership Management Service (IPMS) at Headquarters on the follow-up of external audit recommendations in order to close pending reports.</p> <p>The Representation will make use of this matrix for the follow-up of the 2014 audit reports.</p>
4	The UNHCR Representation in Burkina Faso should: (i) put in place adequate review procedures to ensure that the requirements for reporting on the significant and quantifiable contributions are met by international implementing partners and the calculations of overhead support costs are accurate; and (ii) recover the overpayments made to international partners in 2012, 2013 and 2014 amounting to \$210,180.	Important	Yes	Snr. Program Officer	30/03/2015	<p>The Representation has taken appropriate steps to address this recommendation.</p> <p>The excess overhead payments made in 2014 to three partners have been addressed through budget revisions. Regarding partners' quantifiable contributions to the projects, the latest revisions of the agreements of all other partners in 2014 allowed the operation to document and insert their contribution in the revised agreements.</p> <p>For 2015, an official letter has been sent to all partners to remind them of their obligation to document their contribution to the projects. The Representation will ensure that all IPs contributions are properly documented and incorporated in 2015 agreements. Regarding the recommendation to recover the</p>



## Management Response

## Audit of the operations in Burkina Faso 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
						overpayment made to partners in 2012 and 2013, these overpayments could not be recovered since the reports for these years had already been authorized, approved, recorded and closed. In addition, the partnership with most of the partners that have worked with UNHCR in 2012 and 2013 ended as a result of the selection and retention process conducted in 2013.
5	The UNHCR Representation in Burkina Faso should: (i) provide procurement training for its staff; and (ii) put in place procedures, including supervisory reviews, to ensure full compliance with UNHCR procurement rules.	Important	Yes	Supply Officer  RRWA – Logistic Division and SMS	28/02/2015  30/05/2015	The supply section in Burkina Faso has planned to dispense procurement training for all the procurement staff to ensure full compliance with procurement rules. ToRs and training modules are ready and this training will take place in February 2015.  Additionally, the senior staffs of supply are to participate in procurement training for the region that will take place in April 2015 in Dakar. This senior staff training will be organized by the RRWA supply section and SMLS.
6	The UNHCR Representation in Burkina Faso should develop an action plan for: implementing adequate monitoring and verification exercises to determine the correct quantity and location of all property, plant and equipment assets and serially tracked items, including those transferred to implementing partners under right of use agreements; and updating the	Important	Yes	Supply Officer	27/11/2014	The Representation has completed the verification, update and reconciliation of PPE and STI assets, including those transferred to implementing partners under the right of use agreements.

## Management Response

## Audit of the operations in Burkina Faso 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
	relevant asset records.					
7	The UNHCR Representation in Burkina Faso should: (i) strengthen controls to reduce the incidence of motor vehicle accidents; (ii) remind implementing partners to exercise care in using UNHCR vehicles since they are fully accountable for all costs of repair; and (iii) obtain guidance from UNHCR Headquarters on the vehicle accident repair cost thresholds beyond which disposal of relevant vehicles should be considered.	Important	Yes	Supply Officer	30/09/2014	<p>A recent review of the incidence involving motor vehicle accidents has shown an important decrease in the cases reported in 2014 compared to 2013 and 2012. This is mainly due to the different actions that have been undertaken by the office to strengthen controls in order to reduce accidents.</p> <p>In 2014, two trainings were provided to all technicians and drivers of the operations during which emphasis was put on the conditions of usage of UNHCR equipment's (vehicles); UNHCR procedures in case of accidents and the basic principle of utilization of vehicles.</p> <p>Additionally, The Representation has sent a correspondence to all implementing partners reminding them to exercise care in using UNHCR vehicles as well as their obligation, responsibility and accountability of bearing for all costs of repair, should motor vehicles be involved in accidents in the future.</p>
8	The UNHCR Representation in Burkina Faso should: (i) put in place an action plan to implement the required security improvements to ensure full Minimum Operating Security Standards compliance; (ii) ensure that the Minimum Operating Security Standards requirements are assessed twice a year as required.	Important	Yes	Field Safety Adviser	30 November 2014	<p>The Representation has completed the MOSS evaluation of all of its offices and as a result it was determined that all offices are MOSS compliant.</p> <p>This exercise was undertaken by the Security Advisor of UNDSS and the field security advisers.</p>