



## INTERNAL AUDIT DIVISION

### REPORT 2016/009

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

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

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

29 February 2016  
Assignment No. AR2015/110/05

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# AUDIT REPORT

## Audit of the operations in Tanzania 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 Tanzania 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 Tanzania (hereinafter referred to as ‘the Representation’) was established in 1968. As at 30 June 2015, the Representation was assisting 136,796 refugees and 1,150 asylum-seekers, mainly from the Democratic Republic of the Congo and Burundi. From the start of the pre-election violence in Burundi at the beginning of April 2015 until 30 June 2015, approximately 144,000 refugees fled Burundi, of whom over 66,000 fled to Tanzania. The Representation was also assisting 162,256 nationalized former 1972 Burundians who were in transition to full local integration. The Representation’s strategic priorities in its Country Operation Plan for 2015 were: (i) protection activities with particular emphasis on reducing the risk of sexual and gender based violence; (ii) refugee empowerment by reducing protection risks and aiming to increase resilience; and (iii) provision of assistance to refugees in the key sectors of health and nutrition, water, sanitation and hygiene (WASH), and community empowerment.
4. The Representation, headed by a Representative at the D-1 level, had a Branch Office in Dar es Salaam, three Field Offices in Kasulu, Mpanda and Kigoma, and three Field Units in Mwanza, Mishamo and Ulyankulu. As at 30 June 2015, the Representation had 156 posts and 28 affiliate staff. The Representation had total expenditure of \$25 million in 2014, and an initial authorized budget for 2015 of \$15 million. The budget for 2015 was increased to \$30 million in May 2015 because the Representation had to: (a) find permanent solutions for the newly naturalized Tanzanians; and (b) assist the new influx of Burundian refugees. In the six-month period up to 30 June 2015, the Representation incurred expenditure of \$14.7 million against this budget. The Representation worked with 12 partners in 2014 and 11 in 2015. These partners implemented 48 per cent of the Representation’s programme-related expenditures in 2014.
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 the operations in Tanzania**.
7. The audit was included in the OIOS 2015 risk-based internal audit work plan for UNHCR due to risks related to implementation of programme and protection activities in Tanzania, especially those associated with the high influx of refugees from Burundi.

8. The key controls tested for the audit were: (a) strategic planning; (b) project management; and (c) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:

(a) **Strategic planning** - controls that provide reasonable assurance that the Representation's strategic planning for its programme and protection activities are implemented in alignment with the UNHCR global strategic priorities.

(b) **Project management** - controls that provide reasonable assurance that there is proper planning and implementation as well as accurate and complete monitoring and reporting of the Representation's project activities.

(c) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide the management of the operations in Tanzania; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.

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

10. OIOS conducted the audit from July to October 2015. The audit covered the period from 1 January 2014 to 30 June 2015. The audit team visited the Representation's Branch Office in Dar es Salaam, Field Offices in Kasulu and Mpanda, and the refugee camp in Nyarugusu, Kasulu.

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 the operations in Tanzania**. OIOS made seven recommendations to address issues identified in the audit.

13. The Representation had adequate controls in place for strategic planning. However, the Representation needed to: (i) enforce compliance with the UNHCR policy on procurement by partners; (ii) develop a coordinated system for financial and performance monitoring of projects; (iii) implement adequate monitoring procedures over the distribution of non-food items (NFIs) and account for differences between NFIs issued from the warehouse and those distributed to beneficiaries; (iv) strengthen controls over monitoring of WASH activities; (v) enhance controls over bank accounts, operational advances and monthly financial reporting to UNHCR headquarters; (vi) strengthen controls over vendor registration and procurement planning; and (vii) allocate adequate staffing capacity to ensure effective management of its large fleet of vehicles.

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 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
<b>Effective management of the operations in Tanzania</b>	(a) Strategic planning	Satisfactory	Satisfactory	Satisfactory	Satisfactory
	(b) Project management	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(c) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
<b>FINAL OVERALL RATING: PARTIALLY SATISFACTORY</b>					

### **A. Strategic planning**

The Representation had adequate controls in place for strategic planning

15. In accordance with the UNHCR Global Management Accountability Framework, the Representation is required to prepare a Country Operations Plan in alignment with the UNHCR global strategic priorities and based on an assessment of the needs of the population of concern following a participatory and inclusive assessment approach. The Representation is required to develop an operations strategy, a protection strategy, and standard operating procedures for all key protection and programme priorities.

16. The Representation conducted and documented a needs assessment following a participatory and inclusive process and on the basis of this, developed a Country Operations Plan that was aligned with UNHCR global strategic priorities. The Country Operations Plan contained an operations strategy and a protection strategy. The Representation prepared standard operating procedures for key protection activities, including sexual and gender-based violence and programme activities, such as health and nutrition, WASH, and community empowerment. OIOS therefore concluded that the Representation had adequate controls in place for strategic planning.

### **B. Project management**

The Representation needed to enforce compliance with the policy on procurement by partners

17. The UNHCR Policy and Procedures on Procurement by Partners with UNHCR Funds, which became effective on 1 November 2014, requires the Representation to assess the advantage of each partner to undertake procurement on its behalf. Before entrusting a partner to procure goods and services under a Project Partnership Agreement, the partner needs to have a Pre-qualification for Procurement status from the Procurement Management and Contracting Service at UNHCR headquarters. The Representation is required to establish an Implementing Partnership Management Committee to review the designation of procurement authority to partners which the Head of Office subsequently approves. The Representation is also required to regularly monitor procurement activities entrusted to partners to verify their compliance with the agreed procurement rules and procedures.

18. For the implementation of projects in 2015, the Representation entrusted procurement to seven partners in excess of \$100,000 each with a cumulative procurement value of \$898,000. Only one of these partners was pre-qualified to undertake procurement on UNHCR's behalf. The Representation did not undertake an assessment of the value added by entrusting procurement to these partners, or their capacity to undertake effective and efficient procurement on behalf of UNHCR. The Representation also did not submit the request for designation of procurement authority to partners for review and approval of the Implementing Partnership Management Committee (which was established in September 2013). The Representation explained that since the new policy became effective on 1 November 2014, it did not have time to implement the required changes.

19. Although the Representation's financial verification visits to partners covered aspects of procurement, they lacked the required thoroughness and risk-based scrutiny. Supply Unit staff was also not part of the verification team. OIOS observed that one partner procured spare parts exceeding \$20,000, but split it under two purchase orders to avoid the requirement for review and approval of the partner's contracts committee. Another partner procured furniture exceeding \$100,000 without competitive bidding and without requesting the bidding process to be waived.

20. As a consequence, the Representation could not demonstrate that it obtained best value for money for the procurement entrusted to partners. This was because the Representation's management had not enforced compliance with the Policy and Procedures on Procurement by Partners with UNHCR Funds.

**(1) The UNHCR Representation in Tanzania should put in place procedures to enforce compliance with the requirements to: (i) assess the partners' procurement capacity and pre-qualification status before entrusting procurement to them; and (ii) systematically review and document the partners' procurement activities as part of the financial monitoring activities.**

*UNHCR accepted recommendation 1 and stated that the Representation's multi-functional team undertook the assessment of partners' procurement capacity before entrusting procurement to them for 2016. The Representation would continue to systematically review partners' procurement activities during financial verification activities. Recommendation 1 remains open pending receipt of documentary evidence showing that systematic reviews of partners' procurement activities are being conducted with the participation of the Representation's supply staff.*

There was a need to develop a coordinated system for financial and performance monitoring of projects

21. The UNHCR Manual requires the Representation to monitor project activities implemented and reported on by partners to assess whether they are proceeding according to plan and targets. The Manual requires the Representation to undertake at least one financial verification visit per year to each partner to assess the reliability of the partners' accounting systems and the effectiveness of controls in place, as well as to test high value transactions and high risk project activities. The Representation should prepare an annual risk-based monitoring plan and establish a multi-functional monitoring team to conduct the performance and financial monitoring activities in a comprehensive and coordinated manner.

22. The partners implemented project activities amounting to \$7.8 million for the Representation during the audit period. In seven project audit reports issued by external auditors in 2014, 63 recommendations were raised and the Representation was regularly following up on their implementation.

23. However, a review of the Representation's financial and performance monitoring activities indicated that the Representation:

- Had not established a multi-functional monitoring team for monitoring and reporting on partners' project activities. The Project Control Officer and Assistant conducted the financial verifications.
- Conducted financial monitoring visits of each partner at least quarterly, but did not develop a monitoring plan to ensure the focus of these visits were on high risk budget lines and/or project activities. The verification team also continued to make recommendations related to inadequate banking and cash management controls. However, the Representation had not implemented procedures to ensure partners took corrective action to strengthen these controls.
- Was unable to provide evidence that the financial and performance results reported by partners were reconciled before approving partners' financial monitoring reports.

24. The only reports that contained an assessment of project performance against targets were the overall assessments contained in the Representation's reports pertaining to mid-year and annual reviews. The Field Offices reported weekly through situation reports and staff meetings but these documents did not always identify the partners involved and did not measure project progress against the targets agreed with partners. The Branch Office in Dar es Salaam was also approving the partners' quarterly reports but there was no evidence on file that the project performance of the partners had been verified by all UNHCR offices in the country. In addition, one government partner had not submitted any narrative progress reports for the past two years.

25. Consequently, the Representation's financial and performance monitoring did not sufficiently identify areas where partner performance was lacking and needed to be strengthened for the maximum benefit of the persons of concern. This resulted as the Representation had not: (a) adequately planned and coordinated project financial and performance monitoring activities with all staff involved in the process; and (b) provided adequate training to staff assigned financial and performance monitoring responsibilities to ensure that they effectively discharged their responsibilities.

**(2) The UNHCR Representation in Tanzania should implement: (i) a coordinated system for financial and performance monitoring of projects by a multi-functional team; and (ii) a training programme for staff involved in financial and performance monitoring.**

*UNHCR accepted recommendation 2 and stated that systematic monitoring of project activities and verification of Project Financial Reports were now being undertaken by the Representation's multi-functional teams. A training plan had been developed for the teams. Based on the action taken and documentation provided by UNHCR, recommendation 2 has been closed.*

There was a need to implement adequate monitoring procedures over the distribution of NFIs and account for differences between items issued from the warehouse and those distributed to beneficiaries

26. The UNHCR Handbook for Commodity Distribution requires the Representation to put in place appropriate controls over monitoring of NFI distributions, review of partners' reports on NFIs distributed, and reconciliation of items distributed with those issued from the warehouse.

27. During the period covered by the audit, the Representation distributed NFIs with a value of \$1 million in the Nyarugusu refugee camp. OIOS observed the following shortcomings in the Representation's monitoring of the NFI distributions:

- The Representation did not prepare distribution monitoring reports for all of 2014 and for the months of July and August 2015.

- The Representation did not have reports on NFIs distributed by partners. There was therefore no evidence that beneficiaries had signed for receipt of the items.
- The Representation could not provide evidence that it had undertaken regular reconciliation of items issued from the warehouse against items distributed. OIOS observed reconciliation differences related to sleeping mats, blankets, soaps and kanga. The Representation also did not have records of items left over and kept by partners after each distribution.

28. The main reason for the above weaknesses was the lack of local procedures for monitoring NFI distributions by UNHCR and partner staff. As a result, there was a risk that some NFIs may not have reached the intended beneficiaries.

**(3) The UNHCR Representation in Tanzania should develop and implement procedures for monitoring the distribution of non-food items.**

*UNHCR accepted recommendation 3 stated that standard operating procedures defining the roles and responsibilities of the various units and partners regarding NFI distribution had been developed and implemented. The procedures outlined the process for requesting, distributing, monitoring and reporting on NFIs. Based on the action taken and documentation provided by UNHCR, recommendation 3 has been closed.*

Monitoring of WASH activities required strengthening

29. The UNHCR guidance on WASH services requires the Representation to plan and monitor WASH activities to provide sufficient and quality potable water and maintain sanitation and hygiene in the camps in accordance with UNHCR standards.

30. The Representation had a WASH Officer in Kasulu to monitor and implement the water and sanitation strategy of the Nyarugusu camp. However, the Representation’s monitoring of compliance with the UNHCR guidance on water and sanitation services and the progress in achieving the strategy’s planned objectives indicated the following shortcomings:

- The Representation provided an average of 12 litres per day to persons of concern instead of the minimum UNHCR standard of 20 litres.
- Although the Representation complied with the minimum standard for the number of latrines, OIOS observed that in many of the shelters plastic sheets were used as doors for family latrines.

31. The above resulted as the Representation had shifted its priorities due to the emergency influx of Burundian asylum seekers leaving insufficient funds to construct new latrines and rehabilitate old ones. As a result, the Representation was exposed to risks, including reputational risks, of not providing sufficient water to its persons of concern and ensuring an adequate level of privacy and security, especially of women, using family latrines.

**(4) The UNHCR Representation in Tanzania should develop an action plan, with budget implications and target dates for implementation, to enhance the access of its persons of concern to adequate water and latrine facilities.**

*UNHCR accepted recommendation 4 and stated that the Representation would finalize the required*

*actions by the end of March 2016. Recommendation 4 remains open pending receipt of the action plan that contains budget implications and target dates for implementation to improve the WASH situation in the Nyarugusu camp.*

### C. Regulatory framework

#### Controls over bank accounts, operational advances and monthly financial reporting needed strengthening

32. The UNHCR Manual requires the Representation to put in place adequate controls over management of bank accounts, operational advances and monthly financial reporting to headquarters.

33. OIOS observed the following weaknesses in financial tracking and reporting:

- The Representation had six bank accounts, although it was limited to two accounts by UNHCR rules.
- The Field Office in Kigoma and the Field Unit in Mishamo were using operational advances without proper authorization. Operational advances amounting up to \$5,000 were also hand-carried without adequate security measures.
- Field Offices in Mpanda, Kasulu and Kigoma and the Field Unit in Ulyankulu submitted their monthly financial reporting packages directly to headquarters instead of sending them to the Branch Office for review prior to submission to headquarters, as required by UNHCR procedures.

34. The above resulted due to inadequate management review of compliance with UNHCR rules and procedures regarding financial tracking and reporting. As a result, the Representation was exposed to the risk of loss of financial resources.

**(5) The UNHCR Representation in Tanzania should put in place documented arrangements, including in terms of management review, for ensuring compliance with UNHCR rules and procedures related to management of bank accounts and operational advances as well as monthly reporting to headquarters.**

*UNHCR accepted recommendation 5 and stated that the additional bank accounts would be closed as soon as the pending/disputed items were cleared and the Representation was in contact with the Division of Financial and Administrative Management in this regard. Action had been taken for offices in Mishamo and Kigoma to start using petty cash accounts instead of operational advances. The Representation Office in Dar es Salaam had already started reviewing the monthly packages from Field Offices before submitting them to headquarters. Based on the action taken and documentation provided by UNHCR, recommendation 5 has been closed.*

#### There was need to strengthen controls over vendor registration and procurement planning

35. The UNHCR procurement rules and procedures require the Representation to: (a) establish a Vendor Review Committee (VRC) to facilitate the vendor management process; (b) prepare an annual purchasing plan that includes estimates for all goods and services to be procured; (c) undertake competitive bidding for the required goods and services on the basis of the annual purchasing plan; and (d) ensure that all contracts equal to or greater than \$20,000 are reviewed by the Local Committee on Contracts (LCC), Regional Committee on Contracts (RCC) or the Committee on Contracts at headquarters, depending on the contract value.

36. The Representation established a VRC in 2014 and the Committee had held four meetings since its establishment to review 21 vendor registration requests. However, Supply Unit staff could not explain the process of how the vendors had been vetted, which indicated a weakness in the functioning of the VRC. Moreover, out of 333 active vendors recorded in the Representation's vendor database, only 136 vendors had vendor files. For the other 197 vendors, the Supply Unit was not maintaining the required vendor registration forms and vendor documents on file.

37. The Representation completed the process of preparing an annual purchasing plan for 2014 only on 12 August 2014. For 2015, it had not yet developed a purchasing plan at the time of the audit. Since 1 January 2014, the Representation had raised 437 purchase orders totaling \$8.9 million. A review of 88 purchase orders valued at \$7.5 million observed weaknesses in 24 purchase orders totaling \$1.6 million, as follows:

- The Representation did not obtain approval for post facto notification for the issuance of six purchase orders for fuel totaling \$222,979 from the UNHCR Committee on Contracts.
- The Representation provided a deadline of less than the required four weeks for submission of offers for 10 purchase orders totaling \$1.1 million.
- The Representation did not submit five purchase orders totaling \$207,734 for security and electricity services for review by the LCC. Moreover, two purchase orders totaling \$103,064 related to mobile phone services were not approved by the LCC but the contracts for these services were nevertheless issued without any documentation as to why the LCC decision was not complied with.

38. The above resulted due to inadequate planning and oversight over procurement and vendor management. This increased the risk of financial loss, potential for fraud, and not achieving best value for money for goods procured.

**(6) The UNHCR Representation in Tanzania should establish procedures to ensure that: (i) the annual purchasing plan is prepared in a timely manner; and (ii) the Vendor Review Committee oversees the completion of the clean-up of the vendor database and the preparation of vendor files with all necessary documentation.**

*UNHCR accepted recommendation 6 and stated that the Representation had finalized its 2016 annual purchasing plan. The VRC was to finalize the clean-up of the vendor database by the end of July 2016. Recommendation 6 remains open pending receipt of evidence that the clean-up of the vendor database has been completed and all vendor files have been prepared.*

The Representation needed to allocate adequate staffing capacity for managing its large fleet of vehicles

39. The UNHCR Policy on Implementation of Global Fleet Management (GFM) requires the Representation to designate a Transportation Manager to act as the counterpart for the GFM Unit located in Budapest for all fleet-related issues and to implement procedures on fleet management promulgated by the GFM Unit. The Representation is required to designate two transportation managers, one responsible for administration vehicles and the other for programme vehicles.

40. The Representation did not have designated transportation managers, as those individuals assigned these responsibilities in 2013 had left the Representation and had not been replaced. At the time of the audit, the Representation designated an Administrative Associate as a Transportation Manager who,

however, did not act as the GFM Unit counterpart and was responsible for the management of only 11 vehicles located in the Branch Office in Dar es Salaam. The Representation had 163 vehicles, with a total acquisition cost of \$5.8 million.

41. The above resulted as the Representation had not assessed its staffing requirements for managing a large fleet of vehicles in line with the Policy on Implementation of Global Fleet Management. Although the audit did not observe any specific examples of poor fleet management, the absence of dedicated transportation managers exposed the Representation to the risk of inadequate fleet management.

**(7) The UNHCR Representation in Tanzania should allocate adequate staffing capacity for managing its large fleet of vehicles in line with the Policy on Implementation of Global Fleet Management.**

*UNHCR accepted recommendation 7 and stated that the recruitment formalities for two Associate Fleet Management Officers were almost completed. The Representation had assigned one fleet manager for administration vehicles and another one for programme vehicles. Based on the action taken and documentation provided by UNHCR, recommendation 7 has been closed.*

#### **IV. ACKNOWLEDGEMENT**

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

(Signed) Eleanor T. Burns  
Director, Internal Audit Division  
Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the operations in Tanzania 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 Tanzania should put in place procedures to enforce compliance with the requirements to: (i) assess the partners' procurement capacity and pre-qualification status before entrusting procurement to them; and (ii) systematically review and document the partners' procurement activities as part of the financial monitoring activities.	Important	O	Submission to OIOS of documentary evidence showing that systematic reviews of partners' procurement activities are being conducted with the participation of the Representation's supply staff.	30 June 2016
2	The UNHCR Representation in Tanzania should implement: (i) a coordinated system for financial and performance monitoring of projects by a multi-functional team; and (ii) a training programme for staff involved in financial and performance monitoring.	Important	C	Action completed.	Implemented
3	The UNHCR Representation in Tanzania should develop and implement procedures for monitoring the distribution of non-food items.	Important	C	Action completed.	Implemented
4	The UNHCR Representation in Tanzania should develop an action plan, with budget implications and target dates for implementation, to enhance the access of its persons of concern to adequate water and latrine facilities.	Important	O	Submission to OIOS of the action plan developed, with budget implications and target dates for implementation, to improve the WASH situation in the Nyarugusu camp.	31 March 2016
5	The UNHCR Representation in Tanzania should put in place documented arrangements, including in terms of management review, for ensuring compliance with UNHCR rules and procedures related to management of bank accounts and	Important	C	Action completed.	Implemented

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

<sup>3</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>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 Tanzania 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>
	operational advances as well as monthly reporting to headquarters.				
6	The UNHCR Representation in Tanzania should establish procedures to ensure that: (i) the annual purchasing plan is prepared in a timely manner; and (ii) the Vendor Review Committee oversees the completion of the clean-up of the vendor database and the preparation of vendor files with all necessary documentation.	Important	O	Submission to OIOS of evidence that the clean-up of the vendor database has been completed and all vendor files have been prepared.	31 July 2016
7	The UNHCR Representation in Tanzania should allocate adequate staffing capacity for managing its large fleet of vehicles in line with the Policy on Implementation of Global Fleet Management.	Important	C	Action completed.	Implemented

# **APPENDIX I**

## **Management Response**

## Management Response

### Audit of the operations in Tanzania 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 Tanzania should put in place procedures to enforce compliance with the requirements to: (i) assess the partners' procurement capacity and pre-qualification status before entrusting procurement to them; and (ii) systematically review and document the partners' procurement activities as part of the financial monitoring activities.	Important	Yes	Associate Programme Officer	February 2016	<p>A multi-functional team undertook the assessment of partners' procurement capacity before entrusting procurement to them for 2016.</p> <p>The assessment included the review of a) the partners' capacity to undertake effective and efficient procurement on behalf of UNHCR, b) the proven advantages of partners' procurement, including their technical capacities and also c) their capacity to undertake bulk procurement with other sources of funding.</p> <p>The Operation will continue to systematically review partner's procurement activities during financial verification activities.</p>
2	The UNHCR Representation in Tanzania should implement: (i) a coordinated system for financial and performance monitoring of projects by a multi-functional team; and (ii) a training programme for staff involved in financial and performance monitoring.	Important	Yes	Project Control Officer	February 2016	<p>Systematic monitoring of project activities and verification of Project Financial Reports are now being undertaken by multi-functional teams (MFT).</p> <p>The Operation has prepared a training plan for MFT teams both in Dar es Salaam and Field locations.</p>
3	The UNHCR Representation in Tanzania should develop and implement procedures for monitoring the distribution of non-food items.	Important	Yes	Project Control Officer	-	Recommendation implemented.
4	The UNHCR Representation in Tanzania should develop an action plan,	Important	Yes	Senior Programme	March 2016	The Representation will finalize an action by the end of March 2016.

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

<sup>7</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## Management Response

### Audit of the operations in Tanzania 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
	with budget implications and target dates for implementation, to enhance the access of its persons of concern to adequate water and latrine facilities.			Officer		
5	The UNHCR Representation in Tanzania should put in place documented arrangements, including in terms of management review, for ensuring compliance with UNHCR rules and procedures related to management of bank accounts and operational advances as well as monthly reporting to headquarters.	Important	Yes	Senior Admin/Finance Officer	-	Recommendation implemented.
6	The UNHCR Representation in Tanzania should establish procedures to ensure that: (i) the annual purchasing plan is prepared in a timely manner; and (ii) the Vendor Review Committee oversees the completion of the clean-up of the vendor database and the preparation of vendor files with all necessary documentation.	Important	Yes	Supply Officer	July 2016	<p>The Representation has finalized its 2016 annual purchasing plan for the Operation.</p> <p>The Vendor Review Committee (VRC) is to finalize the clean-up of the Vendor database containing 333 active vendors by the end of July 2016.</p>
7	The UNHCR Representation in Tanzania should allocate adequate staffing capacity for managing its large fleet of vehicles in line with the Policy on Implementation of Global Fleet Management.	Important	Yes	Associate Human Resources Officer	February 2016	<p>The recruitment formalities for the two international UNVs “Associate Fleet Management Officers” are almost completed. Presently, the UNDP Office in Tanzania is working on the Government’s Clearance for the UNVs to enter the country.</p> <p>As recommended, the Representation has assigned one fleet manager for administration vehicles and the other for programme vehicles.</p>