



INTERNAL AUDIT DIVISION

REPORT 2016/047

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

Overall results relating to the effective
management of the operations in Egypt were
initially assessed as unsatisfactory.
Management has implemented all
recommendations satisfactorily

FINAL OVERALL RATING: SATISFACTORY

16 May 2016

Assignment No. AR2015/131/04

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AUDIT REPORT

Audit of the operations in Egypt 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 Egypt 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 Egypt (hereinafter referred to as ‘the Representation’) was established in 1954 to provide refugees, asylum-seekers, and other persons of concern with international protection and humanitarian assistance. As at 30 September 2015, UNHCR assisted 185,713 refugees in Egypt, including 128,084 from Syria. In July 2013, the Egyptian authorities changed the policy towards Syrian refugees from the previous visa-free policy to visa and security clearance requirements. This policy change resulted in a virtual freeze on the number of Syrians entering the country.
4. The Representation prioritized the following protection activities in its Country Operations Plan (COP) for 2015: (a) continuing to assume the functional responsibilities for all aspects of registration, documentation and Refugee Status Determination (RSD), and pursuing durable solutions where feasible; and (b) protecting refugees from violence and exploitation, in particular by enhancing sexual and gender-based violence response measures. In terms of refugee assistance programmes, the Representation’s key priority areas in 2015 related to the provision of financial assistance to the most vulnerable refugees and strengthening livelihoods, education, health, and community support activities.
5. The Representation had its Representation Office in Cairo, split into three locations: one in Zamalek and two in 6th of October City. It also had a Field Office in Alexandria. The Representation was headed by a Representative at the D-1 level. As at 30 September 2015, the Representation had 124 regular staff posts and 108 affiliate staff. The Representation had total expenditure of \$51.9 million in 2014. For 2015, its expenditure for the 9-month period up to 30 September amounted to \$30.0 million against an authorized budget of \$47.0 million. It worked with 17 partners in 2014 and 14 in 2015.
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 UNHCR governance, risk management and control processes in providing reasonable assurance regarding the **effective management of UNHCR operations in Egypt**.
8. The audit was included in the OIOS 2015 risk-based internal audit work plan for UNHCR due to risks related to the implementation of programme and protection activities in Egypt, in particular those associated with the large number of Syrian refugees.

9. 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 is implemented in alignment with the UNHCR global strategic priorities and in accordance with established planning procedures and guidelines.

(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 Egypt; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.

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

11. OIOS conducted the audit from September to December 2015. The audit covered the period from 1 January 2014 to 30 September 2015. During the audit, OIOS visited the Representation Office in Cairo and the Field Office in Alexandria.

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 UNHCR governance, risk management and control processes examined were initially assessed as **unsatisfactory**¹ in providing reasonable assurance regarding the **effective management of UNHCR operations in Egypt**. OIOS made four recommendations to address the issues identified.

14. The Representation had adequate controls in place for strategic planning. It had also implemented measures to improve its RSD processes. However, there was a critical need for the Representation to strengthen procedures for assessing the procurement capacity and capability of partners and to enhance monitoring of projects implemented by partners. In addition, there was a need for the Representation to: (i) strengthen the review of supporting documentation before releasing payments; (ii) ensure full compliance with the rules and procedures related to vendor management and procurement; and (iii) put in place procedures for monitoring the completion of mandatory security training courses by all staff.

15. The initial overall rating was based on the assessment of key controls presented in Table 1. The final overall rating is **satisfactory**² as all recommendations have been implemented satisfactorily.

¹ A rating of "**unsatisfactory**" means that one or more critical and/or pervasive important deficiencies exist 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.

² A rating of "**satisfactory**" means that governance, risk management, and control processes are adequately designed and operating effectively to provide reasonable assurance 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 Egypt	(a) Strategic planning	Satisfactory	Satisfactory	Satisfactory	Satisfactory
	(b) Project management	Unsatisfactory	Unsatisfactory	Unsatisfactory	Unsatisfactory
	(c) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: SATISFACTORY					

A. Strategic planning

The Representation had adequate controls in place for strategic planning

16. In accordance with the UNHCR Global Management Accountability Framework, the Representation prepared a COP for 2015 that was aligned with the global strategic priorities and based on an assessment of the needs of the population of concern in Egypt. Participatory assessments were also conducted for the main populations of concern in all key locations. The COP defined appropriate indicators and targets and resource requirements for achieving them. The Representation also developed a protection and operational strategy as part of the COP, and standard operating procedures for all key programme and protection areas including registration and reception, RSD, resettlement, voluntary repatriation, sexual and gender-based violence, health, and cash-based assistance. As part of the mid-year review of the programme, the Representation reviewed areas where it was underperforming and took corrective action including revising targets and indicators. OIOS concluded that the Representation had adequate controls in place for strategic planning.

B. Project management

The Representation had implemented measures to improve its RSD processes

17. The Representation reported in its 2015 mid-year report that the waiting time for the regular RSD interview was over three years. In the same report, the Representation estimated that its RSD Unit would require 22 additional staff to process the required number of 6,000 annual registration cases, to reduce the waiting time to the target of 18 months and to process the increasing number of appeal cases.

18. In September 2015, the Representation introduced a new RSD strategy, which differentiated between Simplified and Accelerated RSD procedures, depending on the nationalities of the asylum seekers. As a result, the waiting time was reduced to 18 months by the end of September 2015, and the first interviews of the pending caseload had been rescheduled to be conducted by the end of February 2017. The Representation expected that without a surge in new registrations, the waiting time could be maintained between 12 and 18 months.

19. The backlog in interview cases resulted, as the Representation had experienced a dramatic increase in RSD applications registered. The RSD Unit had 35 staff members, of whom 10 were UNHCR regular staff and, therefore, the proportion of UNHCR regular staff amounted to 29 per cent, which was below the minimum recommended UNHCR benchmark of 30 per cent. The Unit had, however, six vacant regular posts which, once filled, would allow it to exceed the 30 per cent target. The recruitment for these posts was ongoing. Although the long-term effectiveness of the new measures could not yet be assessed, OIOS concluded that the Representation had taken appropriate action to monitor the results of its new RSD procedures as well as the actual staffing levels for its RSD operations.

There were weaknesses in the management of implementing partnerships

20. The UNHCR Enhanced Framework for Implementing with Partners requires the Representation to: (i) assess that partners who are entrusted with undertaking procurement on its behalf have the required capacity and that procurement activities of partners comply with the agreed procurement rules and procedures; and (ii) establish risk-based plans for performance and financial monitoring to be conducted by multi-functional teams to verify the progress in project activities and the expenditures reported.

(a) Procedures for assessing the procurement capacity and capability of partners needed to be improved

21. For 2014, the Representation entrusted six partners to undertake procurement on its behalf, in excess of \$100,000 each, with a cumulative procurement value of \$1.5 million. The Representation did not follow the required procedures such as submitting the request for designating procurement to these partners for review and approval by the Local Committee on Contracts (LCC) before signing the Project Partnership Agreement (PPA). The Representation submitted a post-facto notification to the LCC, but only in respect of three of the six partners.

22. For 2015, the Representation entrusted procurement to 11 partners with a cumulative procurement value of \$1.3 million. In line with the revised UNHCR policy, effective 1 November 2014 the Representation's Implementing Partnership Management Committee (IPMC) was required to assess the procurement capacity of all these partners. However, the Representation did not take appropriate action to assess the capacity of its partners and the IPMC did not play any role in the decisions regarding designation of procurement to partners for 2015. Instead, the Representation again submitted a post-facto notification to the LCC on 27 January 2015, although with the change in UNHCR's policy, the LCC had no responsibilities regarding procurement by partners after 1 November 2014. A review of the post-facto notification to the LCC indicated that it was only for procurement of food by three partners.

23. OIOS also noted that, apart from one international partner, none of the partners had applied for pre-qualification, which was necessary for procurement exceeding \$100,000. Five of the 11 partners were undertaking procurement in excess of \$100,000 in 2015. The Representation had also not developed an action plan with milestones to guide the relevant partners in completing this process by the end of October 2016 when the grace period for obtaining pre-qualification would expire.

(b) Monitoring the projects implemented by partners needed to be strengthened

24. The Representation established a multi-functional monitoring team and, in consultation with the partners, prepared a risk-based monitoring plan for financial and performance monitoring of each project. However, as outlined in the following paragraphs, the Representation had not adequately monitored partners' activities, including their procurement activities.

25. A partner (a hospital) responsible for providing refugees with medical treatment charged to the UNHCR 2014 project an amount of \$1.6 million against the project budget of \$1.6 million. For 2015 (up to 30 September), the partner charged UNHCR \$0.6 million against a budget of \$1.5 million. The Representation had undertaken two financial monitoring visits to the partner during 2015. A review of the sampling techniques used by the Representation to conclude on the adequacy and completeness of the expenditure charged to UNHCR showed that it was insufficient. This was because the sampling approach did not take into account the fact that the invoices were being generated by the partner and not independently received from a hospital or pharmacy. A review of the invoicing process also showed that: the partner was preparing invoices manually; invoices were not sequentially numbered; and there was inadequate evidence that the two medical accountants financed by the Representation implemented adequate controls over checking and recording of expenses. The lack of adequate controls by the partner and inadequate financial monitoring by the Representation increased the risk of error and potential for fraud.

26. A partner, responsible for the construction and refurbishment of schools, charged to UNHCR project expenditures of \$1.1 million in 2014 against a budget of \$1.1 million and expenditures of \$0.5 million in 2015 (up to 30 September) against a budget of \$0.9 million. The Representation signed the PPA, without reviewing the adequacy of the partner's procurement procedures to ensure that they complied with UNHCR's rules, and allowed for the partner to use its own procurement regulations. This partner's regulations did not require a competitive selection process. A review of the Representation's monitoring of this partner's construction activities indicated that the Representation:

- Only visited three of the four schools constructed, and had no documentation to support that it had reviewed the construction plans, specifications, and bills of quantities against actual expenditures;
- Did not take action on its inability to review the bank reconciliations of the partner as the funds were held in a pooled account at the Central Bank, contrary to UNHCR's requirements;
- Did not take action to ensure the partner indicated the project symbol on payment vouchers to differentiate them from other activities and did not stamp the vouchers "Paid" to reduce the risk of double payments; and
- Did not ensure that the partner obtained insurance cover for the buildings during and after the construction, as stipulated in the PPA.

27. According to the Representation, the shortcomings in designation of procurement to partners and in project monitoring were due to the difficult operational environment and the sudden growth of the Syrian refugee caseload. This surge in activities impacted on the Representation's ability to follow UNHCR policies and procedures and implement the necessary scrutiny. The Representation added that for some activities, like health and education, which were its core priorities, there was a limited choice of partners to work with. However, in the opinion of OIOS, the Representation did not undertake adequate planning and risk assessment before concluding the PPAs to allow it to put in place appropriate actions to mitigate its inability to fully comply with the UNHCR requirements. As a result, the Representation was exposed to a risk of financial losses and inability to obtain value for money from projects implemented by partners.

(1) The UNHCR Representation in Egypt should develop and implement an action plan to: (i) ensure that the procurement capacity and pre-qualification status of partners are assessed before entrusting procurement to them; and (ii) enhance performance and financial monitoring activities over significant project expenditures and risk areas, including medical expenditures and procurement and construction activities.

UNHCR accepted recommendation 1 and stated that the Representation had: assessed the procurement capacity and pre-qualification status of partners; enhanced performance and financial monitoring of projects; performed a systematic testing of controls and expenditures at the medical partner; and undertaken a systematic review of the government partner's construction activities. Based on the action taken and documentation provided by UNHCR, recommendation 1 has been closed.

C. Regulatory framework

There was a need to strengthen the review of supporting documentation before releasing payments

28. The UNHCR Manual requires the Representation to: put in place adequate controls over the management of cash and bank accounts; control disbursements of administrative expenditures; monitor and report on open items (receivables) to UNHCR headquarters; and submit monthly financial reports to headquarters. The UNHCR Financial Internal Control Framework requires the Representation to create a delegation of authority plan detailing the assignment of functional roles to personnel.

29. The Representation adequately managed its bank accounts, petty cash and open items. It also submitted monthly financial reports to headquarters in a timely manner. In addition, as the most recent delegation of authority plan dated 30 August 2015 reviewed by OIOS indicated that 10 staff had authority to approve all payments without any financial limit, the Representation swiftly amended it to reduce the number of staff with payment approval authority to 7 and put in place appropriate payment approval limits based on seniority.

30. However, OIOS observed the following weaknesses in controls over supporting documents for disbursement of funds for administrative expenditures:

- Payments of \$133,002 to three contractors engaged in community support programmes were not supported by any fee notes or invoices.
- Monthly invoices for office security between September 2014 and August 2015 for \$13,971, related to provision of security services during the registration of refugees, were charged to the Representation's administrative budget, although they should have been approved and recorded under programme budget as they related to programme activities.
- Payment instructions for the supply of office furniture and cleaning materials worth \$20,344 were initially sent to the bank with the personal bank account details of the general manager of the vendor, although UNHCR rules do not allow such payments to be made to a bank account of an individual. The payment was later re-routed to the vendor's bank account.

31. These shortcomings were attributed to a lack of detailed review of the supporting documentation by the authorizing officers before the payments were approved and executed. This exposed the Representation to a risk of financial irregularities.

(2) The UNHCR Representation in Egypt should put in place review mechanisms to ensure that payment vouchers are supported by appropriate documentation before disbursements are released.

UNHCR accepted recommendation 2 and stated that the Representation had finalized and issued standard operating procedures for supporting documents for payments. Based on the action taken and documentation provided by UNHCR, recommendation 2 has been closed.

An action plan needed to be implemented to ensure full compliance with the rules and procedures related to vendor management and procurement

32. The Representation is required to: (i) establish an effective vendor management system; (ii) prepare an annual procurement plan according to identified needs; (iii) establish an LCC to review the award of contracts and refer procurement decisions to Regional Committee on Contracts or Committee on Contracts at headquarters, depending on the threshold limits; (iv) initiate procurement activities in accordance with the annual procurement plan to facilitate transparent and competitive procurement; and (v) implement competitive bidding procedures through tendering and inviting a minimum number of vendors to bid.

33. OIOS reviewed the vendor management and procurement procedures put in place by the Representation and tested on a sample basis 31 purchase orders worth \$3.0 million from the total local procurement volume of \$6.3 million in 2014 and 2015 (up to 30 September 2015). The review indicated the following shortcomings:

- The Representation established a Vendor Review Committee (VRC) in March 2015. The VRC held five meetings during 2015 to vet and evaluate new vendors. However, the Representation's vendor database contained 625 vendors - which appeared excessive for the Representation's needs - out of which 26 vendors had duplicate vendor identification numbers. In addition, several of the vendors had not been used for over three years although they were shown as active.
- The Representation did not prepare annual procurement plans for 2014 and 2015 in advance of the project year.
- Seven purchase orders related to transportation, building construction, telecommunication, advertising and training worth \$50,306 were prepared and approved only after the Representation had received the invoices from the vendors.
- The contract to distribute 1,500 blankets worth \$36,061 was awarded to an individual without any competitive bidding. The payments for the contract were effected to the personal account of the individual as the purchase order had been issued in her name. The Representation entered into an agreement with the individual through a "Letter of Understanding" instead of issuing a contract. The Representation explained that these exceptional measures were due to the urgent need to procure and distribute blankets in response to exceptionally cold weather.
- There were six cases of ex-post facto notification to the LCC which could have been avoided with better planning and contract review procedures.
- The LCC approved a waiver of competitive bidding for community support project contracts awarded to four vendors for a total budget of \$189,000 without questioning why the Representation had not carried out any market survey or tendering to support the claim that the vendors selected were the only ones that could carry out the projects.

34. As a result of these control weaknesses, the Representation was exposed to risks of financial losses and not receiving best value for money for the goods and services procured. The weaknesses happened mainly as the Representation did not have a properly staffed Supply Unit in 2014, when the Unit consisted of only one Senior Supply Assistant (at the GS-5 level) on temporary assistance. The Supply Unit became fully operational upon the deployment of an international supply staff member in March 2015. At the time of the audit, the Unit consisted already of three staff members. However, although OIOS could observe improvements in the procurement activities since March 2015, the Representation had not yet developed a clear plan of action to ensure full compliance with the UNHCR procurement rules and procedures and avoidance of past shortcomings.

(3) The UNHCR Representation in Egypt should implement an action plan to ensure that: (i)

the vendor database is reviewed and cleaned up; (ii) annual procurement plans are developed in a timely manner; and (iii) appropriate contract review and execution procedures are in place to avoid excessive use of ex-post facto notifications and waivers of competitive bidding as well as approval of purchase orders after receipt of invoices.

UNHCR accepted recommendation 3 and stated that: (i) the vendor database for Egypt had been reviewed by the VRC in January 2016 and over 300 vendors had been made inactive; (ii) the Representation's annual procurement plan for 2016 had been developed; (iii) a frame agreement/contract repository tool had been developed and shared with the responsible managers in the Representation in order to avoid excessive use of ex-post facto notifications and waivers of competitive bidding as well as approval of purchase orders before receipt of invoices. Based on the action taken and documentation provided by UNHCR, recommendation 3 has been closed.

The Representation needed to monitor the completion of mandatory security training courses by all staff

35. UNHCR rules on security management require the Representation to: (i) participate in inter-agency security and contingency planning and coordination, including meetings of the country Security Management Team (SMT); (ii) implement appropriate actions to ensure full compliance with the Minimum Operational Security Standards (MOSS) and Minimum Operational Residential Security Standards (MORSS) issued by the United Nations Department of Safety and Security; and (iii) put in place procedures to monitor that staff members complete mandatory security training courses.

36. The Representation: regularly participated in inter-agency security and contingency planning activities, including SMT meetings; and conducted adequate monitoring of MORSS compliance by staff. The Representation also submitted its last MOSS compliance report to UNHCR headquarters on 26 December 2014 and according to that report, the level of compliance was 80 per cent, which corresponded to rating of "compliance with limitations". While the audit was still ongoing, the Representation updated its MOSS assessments for all its four buildings (three in Cairo and one in Alexandria), and according to the updated assessments, the level of compliance had increased to a range from 95 to 98 per cent, corresponding to "MOSS compliant". The Representation developed an action plan, with milestones and resources required, to identify the measures necessary for all the offices to become fully MOSS compliant.

37. However, according to the latest report on compliance of staff with the mandatory training requirements, only 39 staff had completed the "Basic Security in the Field" training. No information was available regarding the mandatory "Advanced Security in the Field" course. In May 2015, the Representation requested all staff to complete the outstanding mandatory courses but did not take any further follow-up action in this regard.

38. The main reason for the above shortcoming was the lack of formal procedures to monitor and enforce compliance with mandatory training on security. As a result, there was a risk that staff were not fully aware of their security related responsibilities and adequately prepared to respond to an emergency situation.

(4) The UNHCR Representation in Egypt should put in place formal procedures to monitor that all staff members complete the mandatory security training courses.

UNHCR accepted recommendation 4 and stated that the Representation had put in place controls for systematic monitoring of completion of the mandatory security training courses. Based on the action taken and documentation provided by UNHCR, recommendation 4 has been closed.

IV. ACKNOWLEDGEMENT

39. 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 Egypt for the Office of the United Nations High Commissioner for Refugees

Recom. no.	Recommendation	Critical ³ / Important ⁴	C/ O ⁵	Actions needed to close recommendation	Implementation date ⁶
1	The UNHCR Representation in Egypt should develop and implement an action plan to: (i) ensure that the procurement capacity and pre-qualification status of partners are assessed before entrusting procurement to them; and (ii) enhance performance and financial monitoring activities over significant project expenditures and risk areas, including medical expenditures and procurement and construction activities.	Critical	C	Action completed	Implemented
2	The UNHCR Representation in Egypt should put in place review mechanisms to ensure that payment vouchers are supported by appropriate documentation before disbursements are released.	Important	C	Action completed	Implemented
3	The UNHCR Representation in Egypt should implement an action plan to ensure that: (i) the vendor database is reviewed and cleaned up; (ii) annual procurement plans are developed in a timely manner; and (iii) appropriate contract review and execution procedures are in place to avoid excessive use of ex-post facto notifications and waivers of competitive bidding as well as approval of purchase orders after receipt of invoices.	Important	C	Action completed	Implemented
4	The UNHCR Representation in Egypt should put in place formal procedures to monitor that all staff members complete the mandatory security training courses.	Important	C	Action completed	Implemented

³ 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.

⁴ 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.

⁵ C = closed, O = open

⁶ Date provided by UNHCR in response to recommendations.

APPENDIX I

Management Response

Management Response

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

Rec. no.	Recommendation	Critical ⁷ / Important ⁸	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Egypt should develop and implement an action plan to: (i) ensure that the procurement capacity and pre-qualification status of partners are assessed before entrusting procurement to them; and (ii) enhance performance and financial monitoring activities over significant project expenditures and risk areas, including medical expenditures and procurement and construction activities.	Critical	Yes	Sr. Programme Officer	8 May 2016	The recommendation was implemented by the Representation as follows: (i) The procurement capacity and pre-qualification status of partners have been assessed. (ii) Performance and financial monitoring has been enhanced. An action plan for each project was developed and implementation is on-going. ➤ Systematic testing of controls and expenditures at the medical partner was performed. ➤ A systematic review of education partner's construction activities was performed.
2	The UNHCR Representation in Egypt should put in place review mechanisms to ensure that payment vouchers are supported by appropriate documentation before disbursements are released.	Important	Yes	Sr. Admin/Finance Officer	24 April 2016	The Representation has fully implemented the recommendation. The Standard Operating Procedures for supporting documents for payments have been finalized and issued.

⁷ 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.

⁸ 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 Egypt for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁷ / Important ⁸	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3	The UNHCR Representation in Egypt should implement an action plan to ensure that: (i) the vendor database is reviewed and cleaned up; (ii) annual procurement plans are developed in a timely manner; and (iii) appropriate contract review and execution procedures are in place to avoid excessive use of ex-post facto notifications and waivers of competitive bidding as well as approval of purchase orders after receipt of invoices.	Important	Yes	Supply Officer	4 April 2016	The recommendation was closed by OIOS in the draft audit report.
4	The UNHCR Representation in Egypt should put in place formal procedures to monitor that all staff members complete the mandatory security training courses.	Important	Yes	Field Safety Advisor	4 April 2016	The recommendation has been implemented. Systematic implementation of the training monitoring controls has been put in place.