



## **INTERNAL AUDIT DIVISION**

### **REPORT 2016/094**

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#### **Audit of the operations in Western Sahara for the Office of the United Nations High Commissioner for Refugees**

**Overall results relating to the effective management of the operations in Western Sahara were initially assessed as partially satisfactory. Implementation of one important recommendation remains in progress**

**FINAL OVERALL RATING: PARTIALLY SATISFACTORY**

**29 August 2016**

**Assignment No. AR2016/131/01**

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# AUDIT REPORT

## Audit of the operations in Western Sahara 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 Western Sahara 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 Confidence Building Measures (CBM) Operations in Western Sahara (hereinafter referred to as ‘CBM Operations’ or ‘the Office’) were established in 1998. As at 31 December 2015, the estimated population of persons of concern for CBM Operations was 53,897, all of them of Sahrawi origin. The first Sahrawi refugees arrived in Tindouf, Algeria in 1975. In subsequent years, refugee families found themselves dispersed between refugee camps in Tindouf and the Western Sahara Territory. The Security Council initiated in 1999 the CBM Programme as a breakthrough during a period of impasse in the political process. The Security Council revived the Programme in 2002. However, as the prospects for voluntary repatriation of refugees continued to remain poor, the authorities of Morocco, the Frente Popular para la Liberacion de Sangria el-Hamra y de Rio de Oro or the Frente POLISARIO (collectively referred to as “the parties”), and Algeria, the country of asylum, reached an agreement on how to implement the CBM Programme in 2004. The agreement was confirmed through a document called the “Plan of Action”. The parties and Algeria revised the Plan of Action in 2012. The CBM Programme had the aim to improve communication between Sahrawi refugees in Tindouf and their families in the Western Sahara Territory and to respond to the humanitarian needs of families separated by the conflict.
4. The three activities implemented by CBM Operations under the Programme were cultural seminars on Western Sahara (to be held in a third country), exchange of visits between refugee families in Tindouf refugee camps and the Western Sahara Territory, and telephone communications between refugee families (during the period from 2003 to 2010). In the implementation of these activities, the United Nations Mission for the Referendum in Western Sahara (MINURSO) provided administrative and logistical support to the CBM Operations.
5. CBM Operations were managed from UNHCR offices in Laayoune, Western Sahara, and Tindouf. The Head of Operations, at the P-5 level, was based in Laayoune. As at 31 December 2015, CBM Operations had 31 posts. This was reduced to 23 in February 2016. The total expenditure on CBM Operations in 2014 was \$4.0 million out of a budget of \$4.4 million. In 2015, following a decrease of the budget to \$2.1 million, the total expenditure incurred amounted to \$1.4 million. The decrease in the budget was due to the suspension of cultural seminars and family visits in June 2014. CBM Operations implemented the CBM Programme on direct implementation basis, without the use of implementing partners, due to the political sensitivity of the Programme.
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 Western Sahara**.

8. The audit was included in the 2016 risk-based internal audit work plan for UNHCR due to the risks associated with managing the CBM Programme in light of the suspension of the core programme activities and the reduced budget.

9. The key controls tested for the audit were: (a) strategic planning; (b) programme 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 strategic plans for CBM Operations are developed in alignment with UNHCR global strategic priorities and in accordance with established planning procedures and guidelines.

(b) **Programme management** - controls that provide reasonable assurance that there is proper planning and implementation as well as accurate and complete monitoring and reporting of the CBM Programme.

(c) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide the implementation of the CBM Programme; (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 February to April 2016. The audit covered the period from 1 January 2014 to 31 December 2015.

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 **partially satisfactory**<sup>1</sup> in providing reasonable assurance regarding the **effective management of UNHCR operations in Western Sahara**. OIOS made four recommendations to address issues identified.

14. The CBM Operations' coordination mechanisms with the Bureau for the Middle East and North Africa (MENA), substantive Divisions at headquarters, the Field Office in Tindouf, MINURSO, and parties involved in the CBM Programme were satisfactory. Arrangements for external relations and public information were also implemented as intended. However, there was a need for CBM Operations to: (a) undertake a structural review, including in terms of staffing resources required for implementing

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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.

the CBM Programme, in light of the suspension of the core programme activities; (b) clean up the CBM Programme database and ensure that key documents related to programme implementation are complete and systematically filed; (c) strengthen controls over review of the delegation of authority plan, petty cash limits, operational advances, and accuracy and completeness of supporting documentation for expenditures; and (d) review the vendor database, improve procurement planning, and develop a capacity building plan for the members of the Local Committee on Contracts (LCC).

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

Table 1  
Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of UNHCR operations in Western Sahara	(a) Strategic planning	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(b) Programme 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 suspension of the CBM Programme necessitated a structural review of the operations in Western Sahara

16. The UNHCR Programme Manual requires the Office to develop an annual operations plan that is aligned with UNHCR's global strategic priorities and based on an assessment of the needs of the persons of concern following a participatory approach. The Office is required to establish a protection strategy for its operations and develop Standard Operating Procedures (SOP) for all priority activities. As part of the operations plan, it should conduct a situation analysis on its staffing levels to ensure correlation between the present level of staff and the types of tasks required. The Office is further required to review its programme and adjust it in light of changed operational circumstances at the Mid-Year Review stage.

17. The Office developed operations plans for 2014 and 2015 that were aligned with UNHCR's global strategic priorities and based on an assessment of the needs of the persons of concern following a participatory approach. It also prepared protection strategies for both years. It prioritized activities related to strengthening of services for family visits, optimizing access of persons of concern to cultural seminars, and providing cash grants to refugee families. To direct its activities, it established an SOP on Final Registration and Revalidation of Refugee Families Eligible for Family Visits, a CBM Programme Family Visits' Field Guide, and an Action Plan for the Conduct of the Cultural Seminar.

18. However, due to the suspension of CBM programme implementation in June 2014, the Office continued to incur staffing and administrative costs without any operational activities or outcomes. In 2015, the Office spent \$1.1 million on staffing costs and \$226,300 on administrative costs, although no family visits or cultural seminars took place. It also incurred unnecessary operational costs in 2014, e.g.,

due to a payment of penalties of \$201,514 to the air charter company for family visit flights that had to be cancelled. The Office considered, as part of the development of its operations plan for 2015 and in the context of its coordination activities with key stakeholders of the CBM Programme, the likely scenarios for programme implementation, including the unpredictable character of the Programme. The Office also adjusted its plans at the 2015 Mid-Year Review stage and consequently implemented reductions of its operating level budget for the rest of 2015.

19. In 2014 and 2015, the Office also conducted a series of staffing reviews taking into account the minimum number of critical staff needed, given the suspension of the CBM Programme. It reduced the staffing level from 40 in 2014 to 31 in 2015 and eventually to 23 in February 2016. However, the Office still had staff on posts which could be considered excessive to requirements, notwithstanding the uncertainty of resumption of the CBM Programme. For example, out of the remaining 23 staff, 11 were drivers. OIOS was of the opinion, based on available documentation on the staffing reviews conducted and correlation of the present number and functional roles of staff with the type of tasks required, that the Office had not adequately assessed its staffing requirements. This exposed it to further staffing and administrative costs which were potentially avoidable.

**(1) The UNHCR Confidence Building Measures (CBM) Operations in Western Sahara, in coordination with the Bureau for the Middle East and North Africa and the Organizational Development and Management Service, should undertake a structural review which should include a comprehensive assessment of the staffing requirements for the implementation of the CBM Programme in light of the suspension of the core programme activities.**

*UNHCR accepted recommendation 1 and stated that the MENA Bureau was conducting a review of the region's staffing arrangements with particular emphasis on 2018/2019, covering staff and affiliated workforce. The review would include the operations in Western Sahara. The MENA Bureau was in the process of developing parameters for this exercise, in consultation with the appropriate Divisions. Recommendation 1 remains open pending receipt of documentation on the outcome of the structural review.*

## **B. Programme management**

There was a need to put in place arrangements to ensure that key documents related to programme implementation are complete and systematically filed

20. The Plan of Action, revised and agreed between the parties in 2012, requires the Office to plan, implement and report on the CBM Programme. The SOP on Final Registration and Revalidation of Refugee Families Eligible for Family Visits lays out the procedures and documentation requirements for undertaking the registration and revalidation of refugee families, to update the family visit database of the CBM Programme. The CBM Programme Family Visits' Field Guide requires UNHCR field staff to conduct briefings with the hosting and travelling families before the date of flight and during the family visit, and to prepare relevant flight documents. The Action Plan for the Conduct of the Cultural Seminar, held in Portugal in 2014, required the Office to document the participants' attendance and feedback evaluation on the content of the seminar.

21. The Office explained that it had conducted the final registration and revalidation exercise in December 2013 in accordance with the established SOP and updated the database of eligible families. However, OIOS could not confirm this assertion because the Office had not filed the following documents related to the registration and revalidation exercise: (i) location statistics for the daily

registration and revalidation data by individuals and families; and (ii) detailed list of registered families capturing all information of the registrants, as required under the SOP. The final report on registration and revalidation activities was also not available.

22. In 2014, the Office facilitated only 5 flights for family visits for 184 families out of 17 planned flights. It also facilitated only one cultural seminar in a third country, Portugal, in 2014 out of the planned two seminars. The low implementation rate was the result of the suspension of the CBM Programme in June 2014. As of June 2014, the Office had registered 53,897 individuals in its database. Based on statistics provided, 20,699 individuals had benefited while 12,114 were waiting to benefit from the family visits. This left a difference of 21,084. The Office explained that 4,761 of these were duplicates, leaving 16,323 classified as inactive (i.e., individuals who did not show up during subsequent re-validation) or on hold (i.e., individuals who were waiting to benefit from the family visits but whose cases were pending collection of additional information). However, OIOS could not place reliance on the total number of 53,897 as it included duplicates and the status of 16,323 individuals could not be validated during the audit in the absence of relevant documentation.

23. With regard to the five family visit flights from Laayoune and other cities in Western Sahara to Tindouf, flight manifests were not available for three flights, and attestation documents from the travelling families were not available for four flights. The Office could not provide other required documents such as vehicle and airplane waivers required to be signed by the travellers and briefing notes to be prepared by the UNHCR field staff accompanying the families. The Office could also not provide the participant evaluation forms and daily attendance lists of participants for the cultural seminar.

24. The above shortcomings had arisen because the Office had not established controls for reviewing the accuracy of registered individuals and monitoring the completeness and systematic filing of the required programme documents. As a result, the accuracy of the number of refugees eligible for family visits as reflected in the database was doubtful, and the effectiveness of programme activities could not be ascertained, which could expose UNHCR to reputational risks.

**(2) The UNHCR Confidence Building Measures (CBM) Operations in Western Sahara should put in place review and monitoring arrangements to clean up the data on registered individuals in its CBM Programme database and to ensure systematic and complete filing of key documents related to programme implementation.**

*UNHCR accepted recommendation 2 and stated that the CBM Operations consolidated its database with the physical files, and accounted for all beneficiaries in the database by category of 'active', 'inactive', 'closed' and 'hold' to ensure a methodical approach to registration and database management. It also implemented a checklist to account for all the necessary flight documentation and established an archive for all documents such as guidelines, SOPs, statistics, flight lists and handover notes. It also systematized the filing of documents for ease of access and reference. Based on the action taken and documentation provided, recommendation 2 has been closed.*

Arrangements for programme coordination, external relations and public information were satisfactory

25. The UNHCR Accountabilities, Responsibilities and Authorities Framework requires the Office to coordinate with the Bureau for MENA and substantive Divisions at headquarters to ensure that the protection needs of persons of concern are planned, delivered, and monitored through a coordinated approach. The UNHCR Guidance on External Relations requires the Office to keep donors and other partners fully and constantly aware of UNHCR operations and priorities. The Plan of Action for the CBM Programme requires the Office to coordinate with all parties to the CBM Programme, including the host government and MINURSO.

26. The Office had implemented procedures for ensuring adequate coordination with all key stakeholders of the CBM Programme. It coordinated with the Bureau for MENA in terms of operations planning, programme management and administrative and financial management. Regular communication also took place with the Division of Emergency, Security and Supply on procurement and logistics matters, the Division of Financial and Administrative Management on financial reporting and tracking, and the Division of Human Resources Management on matters pertaining to recruitment and separation of staff. There was also evidence that the offices in Laayoune and Tindouf coordinated effectively with each other on operational and administrative matters and established respective roles and responsibilities.

27. In addition, the Office coordinated with the Division of External Relations (DER) on donor briefings and dissemination of the progress of the CBM Programme. It periodically shared updates on programme implementation with DER, which was in regular contact with the donors, including non-governmental organizations. In 2014, the Office attended donor briefings arranged by DER and the UNHCR Representation in Rabat, Morocco, where the donor embassies were located, in order to present the current status of the CBM Programme. Due to the suspension of the CBM Programme, the Office stopped attending such briefings in 2015.

28. The Office further implemented procedures for regular coordination with MINURSO on administrative and logistical support and with the parties involved in the CBM Programme. The Office made efforts to continue communications with these parties even after the CBM Programme was suspended in June 2014, with the aim and in anticipation of the Programme being eventually resumed. OIOS therefore concluded that the Office had satisfactory arrangements in place for programme coordination, external relations and public information activities.

### **C. Regulatory framework**

#### Controls over review of the delegation of authority plan, petty cash limits, operational advances, and preparation of supporting documentation for administrative expenditures required strengthening

29. The UNHCR financial rules and procedures require the Office to: (i) implement effective controls over delegation of authority in financial management; (ii) implement controls over the management of petty cash and cash in bank accounts; (iii) follow up on open items (accounts receivable); (iv) submit accurate monthly reports to headquarters; and (v) monitor disbursements of administrative expenditures.

30. The Office systematically submitted monthly and year-end financial reports to headquarters and reconciled its bank accounts. However, although the Office prepared and updated the delegation of authority plan for designated staff acting as preparers, reviewers and approvers, the reviewer of bank reconciliations also performed bookkeeping and custodial functions, which were not compatible with UNHCR rules on delegation of authority. The Office did not reduce the level of petty cash of \$740 in Tindouf despite the low level monthly average disbursement of \$55 in 2015. OIOS also observed that the Office did not ensure that complete supporting documentation was available for the liquidation of cash advances. In addition, the Office needed to strengthen controls over disbursement of administrative expenditures, as the audit showed that out of a sample of 57 payment vouchers totaling \$333,000:

- None of the vouchers and supporting documents had been stamped “Paid”, thereby increasing the risk of double payments;
- For 16 vouchers totalling \$197,772 the request for payment was not attached;
- For 5 vouchers totalling \$22,145 towards official travel, boarding passes were not available;

- For 11 vouchers totalling \$23,903 the Office paid 100 per cent Daily Subsistence Allowance (DSA) to non-UNHCR travellers before the travel, instead of only 75 per cent per the UNHCR Policy on Travel for Official Purposes;
- For 5 vouchers totalling \$12,660 the Office did not obtain the traveller's written authorization to a third party claiming the DSA on behalf of the travellers.

31. These shortcomings resulted as the Office had not established adequate supervisory review mechanisms over the delegation of authority, management of petty cash funds, and completeness and accuracy of supporting documents for administrative expenditures. As a result, the Office was exposed to the risk of financial loss.

**(3) The UNHCR Confidence Building Measures Operations in Western Sahara should put in place arrangements to regularly review the delegation of authority plan for incompatible functions, petty cash limits, controls over operational advances, and accuracy and completeness of supporting documentation for administrative expenditures, in line with UNHCR financial rules and procedures.**

*UNHCR accepted recommendation 3 and stated that the CBM Operations segregated the duties for designated staff and sought authorization from headquarters on the revision of petty cash ceilings. It also stamped "Paid" the vouchers and supporting documents for petty cash payments and for other vouchers. It also adopted measures to avoid recurrence of excess payments to refugees by briefing the refugee leaders on the payment modalities of the allowance in accordance with UNHCR financial rules. Based on the action taken and documentation provided, recommendation 3 has been closed.*

There was a need to review the vendor database, prepare procurement plans and build capacity of the LCC

32. The Office is required to comply with the UNHCR procurement rules and procedures, which include: (a) establishing an effective vendor management system; (b) preparing an annual procurement plan according to identified needs; (c) initiating procurement activities in accordance with the procurement plan; and (d) ensuring adequate oversight over the procurement activities through the establishment of a functioning LCC.

33. The Office established an LCC to review and approve procurement cases with a value of \$20,000 or more but not exceeding \$150,000. It issued 88 purchase orders valued at \$1.7 million in 2014 and 2015. OIOS review of the controls in place for vendor management indicated that the Office did not provide adequate oversight over the review of the vendor database as it did not constitute a Vendor Review Committee in 2014 and 2015. The vendor database contained duplicate records for 6 out of 119 vendors. Several inactive vendors with whom the Office had no transactions during the last three years were not deleted from the database, as required. In addition, whilst the Office evaluated each vendor's performance to support the final payment after delivery of goods and services, it did not use these evaluations to update the database.

34. The Office prepared procurement plans for 2014 and 2015. However, it only included recurring items in the plan, such as items for maintenance of UNHCR vehicles, but did not include other significant procurement activities, such as for hotel accommodation (expenditure of \$111,609), air charter (\$170,357) for the participants of a cultural seminar, and office security services (\$38,117).

35. The Office did not provide copies of the LCC composition memorandum and minutes of each LCC meeting to relevant parties at UNHCR headquarters. The Office generally complied with the content requirements of submissions to LCC. The Committee met 10 times during the period under review.

However, it did not identify and address a number of weaknesses in the Office's procurement activities. For instance, LCC overlooked that the Office did not: (a) undertake competitive bidding for the hotel accommodation of participants for the cultural seminar held in Portugal costing \$111,609; (b) ensure that bids from vendors were opened by at least two staff members for the procurement for construction of an office building for \$22,476; and (c) send letters to unsuccessful bidders. Therefore, the LCC did not fully perform its oversight function in ensuring that the Office's procurement activities complied with UNHCR procurement rules and procedures.

36. The above control deficiencies were because there was no Vendor Review Committee in 2014 and 2015 to oversee the maintenance of the vendor database, as the Committee was only established in January 2016. The Office also did not put in place adequate management supervision arrangements to ensure that complete and needs-based procurement plans were developed annually and that the LCC members had the required technical competence to effectively review procurement cases submitted to them. As a result, there was a risk that the Office was not obtaining best value from its procurement activities.

**(4) The UNHCR Confidence Building Measures Operations in Western Sahara should put in place arrangements to: (i) prioritize the review by the Vendor Review Committee of the local vendor database; (ii) prepare comprehensive and needs-based procurement plans on an annual basis; and (iii) develop a capacity building plan for the members of the Local Committee on Contracts on UNHCR procurement rules and procedures.**

*UNHCR accepted recommendation 4 and stated that the CBM Operations cleaned the vendor database by deleting duplicate vendors and deactivated inactive vendors; and completed and revised the procurement plans for 2014 to 2017. It also undertook three training sessions to increase capacity of the members of the LCC. Based on the action taken and documentation provided, recommendation 4 has been closed.*

#### IV. ACKNOWLEDGEMENT

37. 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 Western Sahara 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 Confidence Building Measures (CBM) Operations in Western Sahara, in coordination with the Bureau for the Middle East and North Africa and the Organizational Development and Management Service, should undertake a structural review which should include a comprehensive assessment of the staffing requirements for the implementation of the CBM Programme in light of the suspension of the core programme activities.	Important	O	Submission to OIOS of documentation on the outcome of the structural review	31 December 2017
2	The UNHCR Confidence Building Measures (CBM) Operations in Western Sahara should put in place review and monitoring arrangements to clean up the data on registered individuals in its CBM Programme database and to ensure systematic and complete filing of key documents related to programme implementation.	Important	C	Action completed	Implemented
3	The UNHCR Confidence Building Measures Operations in Western Sahara should put in place arrangements to regularly review the delegation of authority plan for incompatible functions, petty cash limits, controls over operational advances, and accuracy and completeness of supporting documentation for administrative expenditures, in line with UNHCR financial rules and procedures.	Important	C	Action completed	Implemented
4	The UNHCR Confidence Building Measures Operations in Western Sahara should put in place	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 Western Sahara 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>
	arrangements to: (i) prioritize the review by the Vendor Review Committee of the local vendor database; (ii) prepare comprehensive and needs-based procurement plans on an annual basis; and (iii) develop a capacity-building plan for the members of the Local Committee on Contracts on UNHCR procurement rules and procedures.				

# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of the operations in Western Sahara 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 Confidence Building Measures (CBM) Operations in Western Sahara, in coordination with the Bureau for the Middle East and North Africa and the Organizational Development and Management Service, should undertake a structural review which should include a comprehensive assessment of the staffing requirements for the implementation of the CBM Programme in light of the suspension of the core programme activities.	Important	Yes	Deputy Director, MENA	2017	<p>The MENA Bureau is conducting a review of the region's staffing arrangements for 2017 and 2019 with particular emphasis on 2018/2019, covering staff and affiliated workforce. The review will include the operations in Western Sahara.</p> <p>The MENA Bureau is developing parameters for this exercise, in consultation with the appropriate Divisions.</p>
2	The UNHCR Confidence Building Measures (CBM) Operations in Western Sahara should put in place review and monitoring arrangements to clean up the data on registered individuals in its CBM Programme database and to	Important				Recommendation has been closed.

<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 Western Sahara 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
	ensure systematic and complete filing of key documents related to programme implementation.					
3	The UNHCR Confidence Building Measures Operations in Western Sahara should put in place arrangements to regularly review the delegation of authority plan for incompatible functions, petty cash limits, controls over operational advances, and accuracy and completeness of supporting documentation for administrative expenditures, in line with UNHCR financial rules and procedures.	Important				Recommendation has been closed.
4	The UNHCR Confidence Building Measures Operations in Western Sahara should put in place arrangements to: (i) prioritize the review by the Vendor Review Committee of the local vendor database; (ii) prepare comprehensive and needs-based procurement plans on an annual basis; and (iii)	Important				Recommendation has been closed.

Management Response

Audit of the operations in Western Sahara 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
	develop a capacity-building plan for the members of the Local Committee on Contracts on UNHCR procurement rules and procedures.					