



INTERNAL AUDIT DIVISION

REPORT 2021/039

Audit of the operations in Uganda for the United Nations High Commissioner for Refugees

**There was a need to address control
weaknesses in registration, non-food items,
management of partners and fleet and fuel
management**

26 August 2021

Assignment No. AR2020-112-03

Audit of the operations in Uganda for the United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in Uganda for the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to determine whether: (a) the actions implemented by UNHCR in response to the OIOS 2018 audit of the operations in Uganda (report 2018/097) had the intended effect to bring the identified risks to an acceptable level, or (b) additional risk mitigation efforts were needed. This audit covered the period from 1 January 2019 to 30 November 2020 and included a review of: (i) the registration process; (ii) non-food items (NFIs) distribution and warehousing; (iii) water, sanitation and hygiene (WASH) activities; (iv) construction activities including procurement; (v) fleet and fuel management; and (vi) partnership management.

The 2018 audit identified gaps in controls that had not ensured that UNHCR delivered services to persons of concern (PoCs) in a cost-effective manner. Since then, the Representation had made good progress in strengthening controls and implemented 11 of the 12 recommendations made. Action taken included: supporting a Government-led population verification exercise; centralizing the management and distribution of NFIs; establishing boreholes to reduce reliance on expensive water trucking; training supply staff on procurement procedures; increasing staff capacity to manage fleet and fuel operations; and implementing measures to improve partnership management. Many of the positive changes were driven by a reinforced management and staff structure, which may not be sustainable in the longer-term considering budget constraints. Additional oversight by the Regional Bureau for East, Horn of Africa and the Great Lakes of the Representation's activities is therefore necessary to ensure the momentum of progress is maintained.

Further improvements were necessary in registration, WASH, NFIs, partnership, and fleet and fuel management. OIOS recommended that UNHCR:

- Implement a strategy to further support the Government in the registration process in order to improve the reliability of the information available for programme planning and decision making;
- Update its standard operating procedures to clarify responsibility and accountability for NFIs until distribution, address the capacity of partners involved in the processes, and investigate reported NFI losses and make recoveries if warranted;
- Update and implement its WASH strategy to direct the provision of water services to PoCs until they transition to national systems and strengthen its monitoring of partner activities to improve programme implementation;
- Develop annual procurement plans and improve its oversight over procurement to obtain best value for money and strengthen the completion of construction work in a quality and timely manner;
- Address systemic weaknesses in controls over fleet and fuel management to increase efficiencies in related processes; and
- Address the risks associated with projects implemented by the Government partner, strengthen controls over the selection and management of implementing partners, and streamline and harmonize salary top ups for partners including the Government partner.

UNHCR accepted the recommendations and has initiated action to implement them.

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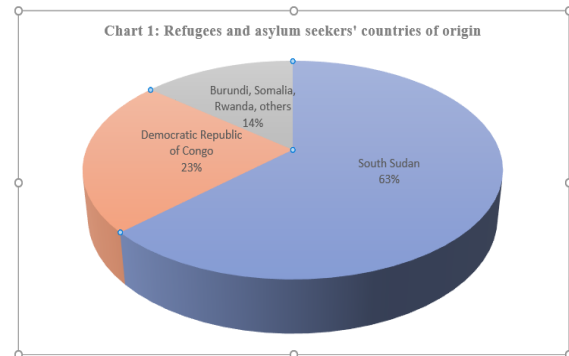
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Audit of the operations in Uganda for the United Nations High Commissioner for Refugees

I. BACKGROUND

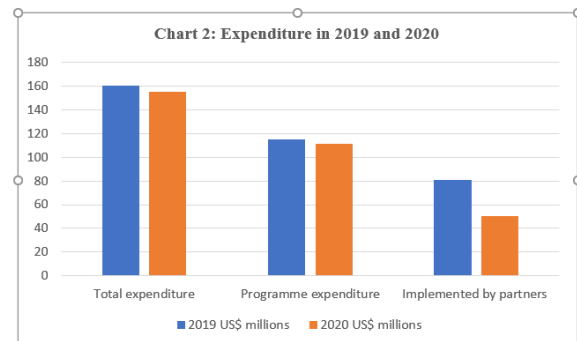
1. The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in Uganda for the United Nations High Commissioner for Refugees (UNHCR).

2. The UNHCR Representation in Uganda (hereinafter referred to as ‘the Representation’) was established in 1965 to provide refugees, asylum seekers and other persons of concern (PoCs) with international protection and humanitarian assistance. Since 2016, Uganda has faced three simultaneous influxes from South Sudan, the Democratic Republic of the Congo (DRC) and Burundi. As of 31 December 2020, the Representation was supporting 1,446,378 refugees and asylum seekers as reflected in Chart 1. Ninety-four per cent of refugees lived in 30 settlements with local communities and six per cent of the refugees were residing in urban centres.



3. Uganda’s progressive refugee policy grants PoCs freedom of movement, the right to seek employment and establish businesses, as well as access to public services such as education, health care and the justice system. The Comprehensive Refugee Response Framework for Uganda was launched in March 2017 to harness a whole-of-society approach in responding and finding solutions to refugee crises. The Office of the Prime Minister is UNHCR’s main government counterpart.

4. The Representation recorded total expenditure of \$160 and \$155 million in 2019 and 2020 respectively. It worked with 52 and 48 partners that implemented 70 (2019) and 62 (2020) per cent respectively of the operating level budget as illustrated in Chart 2. The Representation was headed by a Representative at D-2 level and had a Country Office in Kampala, six Sub Offices, four Field Offices and two Field Units spread across the Central, South West and West Nile regions of Uganda. As of 30 September 2020, the Representation had 635 positions, 13 of which were temporary posts.



5. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to determine whether: (a) the actions implemented by UNHCR in response to the OIOS 2018 audit (report 2018/097) had the intended effect to bring the identified risks to an acceptable level, or (b) additional risk mitigation efforts were needed.

7. This audit was included in the 2020 risk-based work plan of OIOS due to the criticality of the previous audit results and the resultant impact on the Representation’s results if higher risk areas were not successfully mitigated. OIOS had recorded, based on information received, that 11 of the 12 previous audit

recommendations had been implemented. One remained in-progress which related to resolving disputed amounts on vendor invoices.

8. OIOS conducted this audit from December 2020 to March 2021. The audit covered the period from 1 January 2019 to 30 November 2020. Based on an activity-level risk assessment, the audit covered higher risk areas in the Uganda Operation, which included: (i) registration; (ii) non-food items (NFIs); (iii) supply of water under the wash, sanitation and hygiene (WASH) programme; (iv) construction activities including procurement; (v) fleet and fuel management; and (vi) partnership management. Through a review of the above-mentioned areas, OIOS drew overall conclusions about the Representation's strategic planning and resource allocation, programme monitoring and reporting, the control environment and the effectiveness of enterprise risk management.

9. The audit methodology included: (a) interviews of key personnel; (b) review of relevant documentation; (c) analytical review of data, including financial data from Managing for Systems, Resources and People (MSRP), the UNHCR enterprise resource planning system, and performance data from FOCUS, the UNHCR results-based management system; (d) review of data extracted from ProGres, the UNHCR registration and case management system; and (e) sample testing of controls. OIOS was unable to assess controls that required physical observation due to travel restrictions arising from the COVID-19 pandemic although compensating reviews were conducted.

10. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Registration

Registration data processes needed further strengthening

11. The 2018 audit identified several indicators pointing to the lack of reliability of registration data generated by the Government partner that was responsible for the refugee registration processes. OIOS recommended that the Representation reach an agreement with the Government of Uganda on the sharing of data and implement measures to reduce the risk of registering Uganda nationals in the refugee database and persons of concern registering as Ugandans in the national database.

12. To address the lack of reliability of data, the Representation supported a Government-led population verification exercise in October 2018, which identified 1,092,131 (76 per cent) of the country's registered refugees. The Representation planned another verification with an emphasis on individual profiling for 2020, but this was postponed due to the COVID-19 pandemic. The Government of Uganda has, since the 2018 verification exercise, reported an increase of 32 per cent in PoC numbers (as of 31 December 2020), and this was attributed to new arrivals and births during the period.

13. As the Representation did not have control over Government-led registration processes, it was difficult for it to identify errors in PoCs data and/or ensure actions were being taken to keep it current and reliable. OIOS noted that:

- Refugee data in proGres did not include information on individual profiles including socio-economic data, which was critical for identifying vulnerable PoCs and those with special needs.

- The biometric identity management system (BIMS) and the global distribution tool (GDT), which are meant to support beneficiary identification and act as a safeguard against multiple registrations, were not fully rolled out and/or operationalized.
- Delays in registering births and deaths affected the accuracy of refugee data.
- Counter-fraud mechanisms such as background checks on new applicants were established by UNHCR and the Government. However, no documentation was available to evidence that issues identified such as nationals registering as refugees, identity theft and allegations of fraud were analyzed, investigated and corrective action taken.

14. The Representation signed two memoranda of understanding with the Government to: (a) facilitate data sharing between UNHCR and the Government; and (b) support the identification of Ugandans that were incorrectly registered as refugees, as well as refugees that may have been included in the national database as Ugandans. The matching of biometric information in the government refugee register to the national database had not started at the time of the audit. Once underway, this process would also be impacted by the limited comprehensiveness of the national database, since only 66 per cent of Ugandans were reported as having been registered.

15. The Representation attributed the gaps in the registration process to inadequate Government capacity, although it had been engaged in capacity building initiatives for several years. The Representation, learning from previous experiences, needed to evaluate the effectiveness of its capacity building efforts to further support the Government in improving source data on PoCs to ensure reliability of registration data. Reliable data is necessary for UNHCR's programme planning to deliver services to PoCs in a timely, cost-effective, and sustainable manner.

(1) The UNHCR Representation in Uganda should develop and implement a strategy to further support the Government in the registration process in order to improve the reliability of the information available for programme planning and decision making.

UNHCR accepted recommendation 1 and the Representation stated that it was committed to work with the Government to develop a joint strategy that addresses identified issues. It will also conduct a population verification exercise to update PoC data and continue providing technical advice to the Government so instituted controls are operationalized e.g., biometric matching of the refugee register against the national one. Recommendation 1 remains open pending receipt of its up-dated internal registration strategy that includes actions to: (a) improve the completeness and accuracy of data recorded, including validations against the government registration database for nationals; (b) ensure BIMS and GDT are fully operational; and (c) provide additional support, based on needs assessment, to build the capacity of the Government on registration processes.

B. NFI distribution and warehousing management

The storage and distribution of NFIs needed to improve

16. The 2018 OIOS audit recommended that the Representation strengthen controls over NFIs distribution and warehousing to ensure commodities reach the intended beneficiaries.

17. To strengthen controls, the Representation had: (i) centralized its management of NFIs distribution at the branch office level; (ii) conducted needs assessments to inform its decisions on the best locations for the storage of NFIs; (iii) developed standard operating procedures (SOPs) for NFIs distribution; (iv) set

limits for level of NFIs to be held at non-MSRP stores¹; (v) started conducting physical inventory verifications and reconciliations; and (vi) partly implemented GDT to enhance beneficiary identification and strengthen accountability over NFIs distributed. The Representation's expenditure on NFIs in 2019 and 2020 was \$35 million.

18. While the Representation had started some good initiatives to enhance the storage and distribution of NFIs, they were not yet fully implemented to ensure NFIs were properly safeguarded and distributed to beneficiaries as intended. For instance: (a) year-end stock counts were not conducted for 2019 and 2020; (b) losses of \$3.2 million were reported mainly due to theft, deterioration of stocks at distribution points and inadequate monitoring of partners' distribution of NFIs, and were still under investigation at the time of the audit; (c) NFIs worth \$550,460 were held for over two years without plans to distribute them; and (d) inventory amounting to \$157,594 was reported as being still in transit six months after its shipment.

19. The Representation was also holding excess inventory, as it had NFIs totaling \$7.9 million in its warehouses on 31 December 2020 against recommended levels of \$3.5 million. In addition, it had stock worth \$1.2 million in non-MSRP stores as of 30 November 2020 that was above approved holding levels and uninsured. This resulted in: (a) an overstatement of related expenditure since stock was expensed once issued from MSRP warehouses; (b) inefficiencies due to increased storage costs and resources that were tied up in stock; and (c) an increased risk of loss without compensation due to the lack of insurance over items in non-MSRP warehouses. These warehouses and stores did not meet UNHCR minimum security and safety standards, with losses reported due to poor handling and theft.

20. The Representation did not maintain complete distribution records to account for NFIs reported as distributed to beneficiaries. The reported numbers of PoCs receiving NFIs were estimates and not actual numbers. Further, the Representation did not conduct on-site monitoring visits to ensure items were distributed to intended beneficiaries. Post distribution monitoring was sometimes conducted, but it was not always objective since it was done by the same partners who distributed NFIs. Therefore, the Representation did not obtain independent feedback on the adequacy and effectiveness (quality, sufficiency, and utilization) of NFIs in mitigating protection risks among PoCs.

21. While the Representation had developed and issued SOPs, these needed to be updated to better define its role and that of its partners in managing NFIs in warehouses and their distribution. Action was also required to further capacity build partners to execute their responsibilities effectively. The reported loss of inventory worth \$3.2 million evidenced that the Representation had not yet sufficiently strengthened controls and thus, could not provide assurance that NFIs were safeguarded against possible loss and that NFIs were systematically distributed to intended beneficiaries.

(2) The UNHCR Representation in Uganda should: (i) up-date its standard operating procedures to clarify responsibility and accountability for non-food items (NFIs) until distribution; (ii) further address capacity of partners involved in warehousing and distribution processes; (iii) finalize investigations over reported NFI losses and make recoveries if warranted; and (iv) put in place measures to properly safeguard inventory in warehouses.

UNHCR accepted recommendation 2 and stated that: (i) gaps in NFI management have been identified and the Operation is in the process of reviewing and revising its SOPs; (ii) storage at the distribution points is being standardized and that training is being conducted to enhance the capacity of partners on NFI management; (iii) a reconciliation of NFIs was ongoing; (iv) the Regional Bureau and

¹ Non-MSRP stores are distribution points holding items that have left the UNHCR warehouses and therefore expensed but not yet distributed to beneficiaries.

Representation are reviewing guidance to ensure it provides clear accountability and responsibility over NFI management and distribution; and (v) it is taking measures to enhance physical and management controls over its warehouses. Recommendation 2 remains open pending receipt of evidence that: (i) SOPs have been updated clarifying responsibilities and accountabilities over NFIs distribution and warehouse management; (ii) further capacity building of partners involved in warehousing and distribution processes has been conducted; (iii) a reconciliation of unaccounted NFIs has been completed, action has been taken to make recoveries if warranted and responsible parties are held accountable as appropriate; and (iv) measures have been put in place to strengthen warehousing controls.

C. Water supply

The Representation needed to ensure PoCs received the required quantities and quality of water

22. The 2018 OIOS audit recommended that the Representation implement a sustainable water supply in refugee settlements to replace the expensive practice of trucking water.

23. Actions were taken to reduce the Representation's reliance on water trucking through the establishment of boreholes in various locations. For the medium to longer term, there was also a Government-led process of integrating refugees into national water systems. To support this, the Government, Representation and other stakeholders in the sector jointly developed a national Water and Environment Sector Response Plan and road map for the transition of PoCs to national systems.

24. The Response Plan that was completed in March 2020 was not operationalized and most performance targets in the draft July 2019 road map had not been reached by their due date i.e., December 2020. The Response Plan and road map also did not fully address the high operational inefficiencies in the provision of water to PoCs and other challenges faced such as: (i) limited financial capability and willingness of refugees to pay fees; (ii) insufficient collections to cover operation and maintenance costs; and (iii) inability of some communities to account for monies collected.

25. The Representation did not have a current WASH strategy (but had a draft strategy for 2018-2020) for which expenditure of \$11 million was spent in 2019 and 2020. The Representation informed OIOS that its former draft strategy was superseded by the Water and Environment Sector Response Plan. However, in OIOS' view, this Plan was not sufficiently detailed to provide direction and thus could not be operationalized in refugee hosting districts. This raised the risk that the delivery of water to PoCs in the short to medium term may be impacted as the modalities to mainstream PoCs into national systems were being worked out.

26. The Representation significantly reduced the provision of water by trucking from 37 per cent of daily supplies in May 2017 to 0.5 per cent in September 2020. This was done in part by constructing, alongside other operational partners, boreholes as a more sustainable alternative to water trucking. Where water trucking was necessary, the Representation still needed to improve its management, as: (i) costs were not properly monitored to identify efficiencies (an issue noted in the 2018 audit) and (ii) an exit strategy had not been developed to phase out trucking, since this activity is typical for emergencies only.

27. The Representation was able to increase water supply to an average of 16 liters per person per day in December 2020 from the 12 reported in 2017. This average was still below the Representation's target of 19 and UNHCR's standard of 20 liters per person per day. Several project reports recorded issues on the quality of water supplied and tests run by partners showed high levels of bacteriological contamination,

manganese and iron. There were also reports of some PoCs having to travel long distances to get water. These issues, although well-known, were yet to be addressed.

28. The Project Partnership Agreements (PPAs) with the four partners responsible for implementing water did not provide for the collection of data on mandatory water-related WASH indicators and consequently, key information was not readily available for all settlements on sustainability of water supply. For instance, the Representation had online reports for 8 of 12 settlements and even then, information had last been updated in June 2020. The four partners did not have plans that addressed the unique contexts for the sustainable supply of water in the different settlements. The Representation's supervision of activities implemented by WASH partners also needed strengthening to ensure that PoCs received adequate and clean water in line with signed PPAs.

29. All proposed actions to mitigate related risks in the Representation's risk register remained outstanding despite their implementation due dates having passed. Failure to address the issues resulted in inadequate provision of water to PoCs at a time when it is much needed because of COVID-19.

(3) The UNHCR Representation in Uganda should: (i) update and implement its water, sanitation and hygiene strategy to direct the provision of water services to persons of concern until they transition to national systems; and (ii) strengthen its monitoring of partner activities to improve programme implementation.

UNHCR accepted recommendation 3 and noted that: (i) despite the Government having a prominent role in supply of water in the settlement approach, the Operation will develop a WASH strategy, outlining its specific contribution in the overall sector response; and (ii) it will develop an action plan to monitor the UNHCR funded component of the response and provide technical support and oversight on the implementation of the Monitoring and Evaluation Framework and the Comprehensive Refugee Response Framework Water and Environment Sector Response Plan. Recommendation 3 remains open pending receipt of: (i) a copy of the WASH strategy that includes action to ensure PoCs have adequate water during the period of transition to the national system; and (ii) evidence that partners activities are being regularly monitored with action being taken to ensure performance targets are met.

D. Construction and related procurement activities

The Representation needed to strengthen controls over construction and related procurement activities

30. The 2018 OIOS audit identified serious control weaknesses in the Representation's management of construction activities and procurement. This included the need: (a) for improved planning and ensuring procurement thresholds were not exceeded without necessary approvals; (b) for the Representation to review partners' capacity to implement procurement activities on its behalf; (c) to find a sustainable solution for the maintenance of roads constructed for access to refugee settlements; and (d) to verify the total kilometers of roads constructed to determine if any recoveries were warranted.

31. To address OIOS recommendations, the Representation took over the management of all construction activities from partners and engaged the Government to maintain the roads in refugee hosting districts in its national long-term sector plans. The Representation provided all supply staff training on procurement procedures and the electronic bid management system. It also: (a) established Committees on Contracts at branch and sub-office level to improve oversight of the procurement process, (b) re-established the vendor review committee, and (c) introduced a contract tracking mechanism.

32. For the former roads construction work, the Representation's verification resulted in a request for refund from the responsible partner of UGX 7.3 billion (\$1.2 million), and UGX 2.8 billion (38 per cent) had been refunded at the time of the audit, with a commitment to settle the remainder by September 2023. The Representation's claim for a tax refund from the government amounting to UGX 1.9 billion (\$540,000) for related construction work between 2017 and 2019 had not yet been paid.

33. The current audit noted that the Representation had not introduced annual procurement plans based on expected needs. As a result, purchases were done in an ad hoc manner, with goods and services not always received when required. The Representation also did not have a list of prequalified bidders for its construction works despite having annual construction activities of over \$1.5 million. This resulted in long procurement processes for all constructions and contributed to delays of up to one year for two of the five projects reviewed.

34. The solicitation process for construction work needed improvement. For instance: (a) the number of vendors invited to bid was lower than that recommended by UNHCR procurement procedures; (b) the recommended bidding period was not complied with; and (c) solicitation documents contained the contact details of the UNHCR officers handling the process. Moreover, in four of the five construction contracts reviewed, the Representation had not prepared well-articulated criteria in solicitation documents which led to either inclusion of new or excluding certain criteria when evaluating bids.

35. Some of the contracts contained errors such as payment schedules that did not add up to 100 per cent of the award amount and one contract did not provide for retention fees. There were also three projects whose total payments exceeded the contract sum by UGX 270 million (\$75,000). Additionally, most vendors did not provide performance bonds as a guarantee and liquidated damages were not considered for delays in completion of works that were attributed to the contractors.

36. The established Committees on Contracts were also not fully effective in their oversight of procurement activities. For instance, one had not identified the splitting the purchase of construction poles worth \$126,777, which was done to remain within the threshold of a sub-office. The Committees' review primarily focused on purchases at a transaction level; and they did not monitor requisitions or procurements against annual requirements. They were unable to identify purchase orders worth \$1.3 million that had been raised after the receipt of the invoices from suppliers, which was evidence that the procurement process in these cases was conducted as a formality.

37. The issues above would have been addressed through better planning, management of construction processes and increased oversight by the Committees on Contracts. Thus, the Representation may not have obtained best value from purchases made, and there was an increased risk that fraudulent activities would go undetected.

(4) The UNHCR Representation in Uganda should develop annual procurement plans and improve its oversight over procurement to obtain best value for money and strengthen the completion of construction work in a quality and timely manner.

UNHCR accepted recommendation 4 and stated that the Operation: (i) is in the process of preparing the 2022 annual procurement plan to be ready by the fourth quarter of 2021; (ii) has planned for training of the supply and Local Contract Committee members to enhance their oversight capacity over the supply function on procurement activities; (iii) is reviewing and updating the project management approach guidelines and monitoring plans to strengthen capacity of project engineers supervisory skills and ensure adoption of established best practice guidelines in construction by the end of quarter 3 of 2021; and (iv) will develop an SOP to guide contract managers on their responsibilities and accountabilities. The Regional Bureau indicated that it would ensure that contract managers receive

necessary training. Recommendation 4 remains open pending receipt of evidence that: (i) a comprehensive 2022 procurement plan has been prepared; (ii) an action plan to address construction weaknesses has been developed and is implemented; and (iii) there is increased oversight by the committees on contracts in ensuring compliance with UNHCR policies and procedures.

E. Fleet and fuel management

The Representation needed to strengthen controls over its fleet and fuel management

38. OIOS made recommendations to the Representation to improve fleet and fuel management in both its 2016 and 2018 audits of the Uganda operations. To address identified control weaknesses, the Representation: (i) assessed its light vehicle needs; (ii) increased its staff capacity to manage these functions; (iii) developed SOPs to guide related processes; (iv) introduced the fleet-wave system and fuel cards for fuel consumption monitoring; and (v) discontinued the car hire scheme among its partners which resulted in savings of \$5.7 million.

39. The current audit found that the Representation still did not have complete and accurate data on its fleet. For instance: (a) the vehicle allocation report recorded that the Representation had 591 vehicles but its physical verification report for November 2020 stated it had 633; and (b) OIOS was unable to reconcile between the vehicles included in the partner allocation report, those physically verified by UNHCR, the ones listed under partners' right of use agreements and those drawing fuel from stations. This was because the Representation was not uploading data on all its vehicles into the fleet management system and thus reports produced were incomplete and unreliable.

40. The Representation had also not conducted a needs assessment to support the number of heavy vehicles and motorcycles as part of its fleet, as well as the generators required for its operations and under use by its offices and partners. The underutilization of some assets was an indicator that they were all not needed. For example, from the fuel consumption analysis conducted by OIOS, 60 out of 196 generators and 46 out of 82 heavy duty vehicles had either not been fueled at all or were only fueled once or twice in a nine-month period.

41. With regard to fuel management, in 2018, the Representation took over responsibility for purchasing the operation's diesel, but not petrol (benzene) amounting to \$232,849 in 2020, which was budgeted under partners' PPAs. By doing this, the Representation lost visibility of overall petrol costs and was unable to monitor reasonableness of petrol allocated to and consumed by partners. Additionally, the Representation did not compute fuel consumption rates as a basis for monitoring vehicle and equipment usage. For instance, investigations were not conducted to understand why: (i) consumption rates for four generators were over double the standard consumption rates; (ii) several partner vehicles with a 300-liter monthly allocation consistently drew over 700 liters; and (iii) some non-UNHCR vehicles were drawing fuel using cards assigned to partners.

42. Despite control weaknesses having been continually identified in fleet and fuel management, related risks were not listed in the 2020 risk register for mitigation and monitoring. This exposed the Representation to risks of reduced operational efficiency, financial loss and fraud.

(5) The Regional Bureau for East, Horn of Africa and Great Lakes should work with the UNHCR Representation in Uganda to implement a sustainable plan of action to address systemic weaknesses in controls over fleet and fuel management and increase efficiencies in related processes.

UNHCR accepted recommendation 5 and stated that the Operation had committed to: (i) physically verify its fleet and update its records; (ii) complete a fuel needs assessment to form the basis of fuel planning and allocation; (iii) implement and use the fleet management system to monitor fuel consumption and maintenance costs; and (iv) monitor consumption of fuel for generators and motorcycles. Further, the Regional Bureau committed to provide technical support to the Representation in fleet and fuel management. Recommendation 5 remains open pending receipt of evidence that the Representation has: (i) updated asset lists in vehicle tracking systems informed by physical verification; (ii) conducted a needs assessment of level of vehicles/generators needed and disposed of assets in excess of operational requirements; (iii) completed fuel needs assessment for vehicles and motorcycles that are aligned to programme activities; and (iv) implemented a plan to strengthen controls over fuel consumption and actions taken on anomalies noted.

F. Partnership management

Gaps in due diligence and oversight mechanisms over implementing partners needed addressing

43. The 2018 OIOS audit identified serious control weaknesses in the selection of partners and the Government counterpart's management of UNHCR resources. In response to the audit, the Representation: (i) conducted a new partner selection process; (ii) signed the 2020 and 2021 PPAs in a timely manner; (iii) opted to directly implement the high-risk programme activities that were previously delegated to partners; (iv) strengthened its capacity to monitor partners; and (v) initiated resource rationalization measures for government partners covering staff, procurement and use of UNHCR assets.

44. The Representation during the period delegated the implementation of 65 per cent of its programme budget to partners. However, this was without conducting the required cost benefit analysis to inform its decisions whether to directly implement programmes or delegate them to partners. It also designated procurement exceeding the \$100,000 threshold totaling \$41.8 million and \$15 million in 2019 and 2020² respectively to partners without assessing whether there was any comparative advantage in them procuring on UNHCR's behalf. The Representation as part of its project monitoring of partners' activities identified significant control weaknesses once implementation was underway. This included delays in implementation of activities, errors in procurements, and thefts and losses from warehouses. Additionally, initiatives to build the capacity of partners (including international ones) over several years was not informed by proper needs assessments and evaluations of effectiveness of past exercises held.

45. Additionally, some partners were re-selected even though the Representation had previously assessed them as poor performers and having inadequate systems and controls in place to safeguard UNHCR resources. For instance, one of the selected partners with PPAs worth \$6 million in 2020: (a) was reported to have inadequate capacity to implement protection activities as per the PPA; (b) had previously overcharged the programme for services provided by over \$1.2 million; and (c) had significant control gaps/weaknesses identified by project control such as ineligible expenditure and inappropriate procurement processes.

46. A review of the 2019 and 2020 risk-based monitoring plans showed that the same number and frequency of visits to partners were planned and conducted regardless of the partner or the assessed risk. The monitoring of partners activities was also impacted by the quality of performance indicators agreed upon in the PPAs as they did not address services provided to PoCs e.g., they measured the number of warehouses maintained as opposed to the proportion of PoCs receiving NFIs. Furthermore, partners' project performance indicators were not aligned and therefore, could not be properly captured in the

² The decline in procurements conducted by partners was primarily attributed to centralization of fuel procurement.

Representation's overall indicators and targets in FOCUS. The Representation also did not act to address poor performance in areas of strategic importance. For example, a partner only issued 4,516 identity documents against a target of 60,500, but was neither held to account, nor was the target revised if it was deemed excessive and not achievable.

47. The 2018 OIOS audit recommended that the Representation review the purchase of a plot of land costing \$320,000 which was provided to the Government partner to expand its office for refugee registration activities but was subsequently used for parking vehicles. Moreover, the price paid for the land was deemed excessive, with similar plots of land valued at between \$110,000 to \$165,000. However, the matter remained unresolved, with no decision reached on how the land would be used to benefit PoCs, as initially planned. Whereas the 2018 OIOS audit recommended that the Representation review the Government partner's PPA and budget to ensure more efficient and economic spending, the Representation continued to pay salary top-ups to government officials including some that were not directly involved in the refugee programme. This arrangement was unsustainable considering the Representation's reduction in budget.

48. If unaddressed, there is a risk that PoCs may not receive the intended services and the Representation may continue to be exposed to inefficiencies and reputational risks.

(6) The Regional Bureau for East, Horn of Africa and Great Lakes should work with the UNHCR Representation in Uganda to enhance its partnership management by implementing a sustainable plan that strengthens: (i) due diligence prior to selecting partners and the delegation of activities; (ii) partner capacity building efforts and monitoring of their activities; and (iii) the management of risks associated with projects implemented by the Government partner (including salary top ups).

UNHCR accepted recommendation 6 and stated that the Operation: (i) will conduct a fresh partner selection process for 2022 partners and ensure compliance with selection rules and regulations; (ii) has undertaken capacity needs assessment for the 17 partners who were eligible for the 2022 partners retention exercise and programmed various capacity enhancement activities covering both partner and UNHCR staff; and (iii) was working on a joint plan of action to harmonize salaries and streamline current payments of top ups to the civil servants and that UNHCR Headquarters was developing a guidance note on top ups/incentives to government staff working on UNHCR projects. Recommendation 6 remains open pending receipt of evidence of an action plan to improve partnership management covering: partners selection and the delegation of activities; partners' capacity building and monitoring; and more specifically, addresses risks associated with projects implemented by the Government partner.

IV. ACKNOWLEDGEMENT

49. 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.

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Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Uganda for the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ³ / Important ⁴	C/ O ⁵	Actions needed to close recommendation	Implementation date ⁶
1	The UNHCR Representation in Uganda should develop and implement a strategy to further support the Government in the registration process in order to improve the reliability of the information available for programme planning and decision making.	Important	O	Recommendation 1 remains open pending receipt of an up-dated internal registration strategy that includes actions to: (a) improve the completeness and accuracy of data recorded; (b) ensure the BIMS and GDT are fully operational; and (c) provide additional support, based on needs assessment, to build the capacity of the Government on registration processes.	31 March 2022
2	The UNHCR Representation in Uganda should: (i) update its standard operating procedures to clarify responsibility and accountability for non-food items (NFIs) until distribution; (ii) address capacity of partners involved in warehousing and distribution processes; (iii) finalize investigations over reported NFI losses and make recoveries if warranted; and (iv) put in place measures to properly safeguard inventory in warehouses.	Important	O	Recommendation 2 remains open pending receipt of evidence that: (i) SOPs have been updated clarifying responsibilities and accountabilities over NFIs distribution and warehouse management; (ii) further capacity building of partners involved in warehousing and distribution processes has been conducted; (iii) a reconciliation of unaccounted NFIs has been completed, action taken to make recoveries if warranted and responsible parties held accountable as appropriate; and (iv) measures have been put in place to strengthen warehousing controls.	31 December 2021
3	The UNHCR Representation in Uganda should: (i) update and implement its water, sanitation and hygiene strategy to direct the provision of water services to persons of concern until they transition to national systems; and (ii) strengthen its monitoring of partner activities to improve programme implementation.	Important	O	Recommendation 3 remains open pending receipt of (i) a copy of the WASH strategy that includes action to ensure PoCs have adequate water during the period of transition to the national system; and (ii) evidence that partners activities are being	30 September 2021

³ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

⁴ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

⁵ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁶ Date provided by UNHCR in response to recommendations.]

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Uganda for the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical³/ Important⁴	C/ O⁵	Actions needed to close recommendation	Implementation date⁶
				regularly monitored with action being taken to ensure performance targets are met.	
4	The UNHCR Representation in Uganda Develop annual procurement plans and improve its oversight over procurement to obtain best value for money and strengthen the completion of construction work in a quality and timely manner.	Important	O	Recommendation 4 remains open pending receipt of evidence that: (i) a comprehensive 2022 procurement plan has been prepared; (ii) an action plan to address construction weaknesses has been developed and is implemented; and (iii) there is increased oversight by the committees on contracts in ensuring compliance with UNHCR policies and procedures.	31 December 2021
5	The Regional Bureau for East, Horn of Africa and Great Lakes should work with the UNHCR Representation in Uganda to implement a sustainable plan of action to address systemic weaknesses in controls over fuel and fleet management and increase efficiencies in related processes.	Important	O	Recommendation 5 remains open pending receipt of (i) Updated asset lists in vehicle tracking systems informed by physical verification; (ii) conducted a needs assessment of level of vehicles/generators needed and disposed of assets excess to operational requirements; (iii) completed fuel needs assessment for vehicles and motorcycles that are aligned to programme activities; and (iv) implemented a plan to strengthen controls over fuel consumption and actions taken on anomalies noted.	31 December 2021
6	The Regional Bureau for East, Horn of Africa and Great Lakes should work with the UNHCR Representation in Uganda to enhance its partnership management by implementing a sustainable plan that strengthens: (i) due diligence prior to selecting partners and the delegation of activities; (ii) partner capacity building efforts and monitoring of their activities; and (iii) the management of risks associated with projects implemented by the Government partner (including salary top ups).	Important	O	Recommendation 6 remains open pending receipt of an action plan to improve partnership management covering the areas of: partners selection and the delegation of activities; partners' capacity building and monitoring; and more specifically, addresses risks associated with projects implemented by the Government partner.	31 December 2021

APPENDIX I

Management Response

Management Response

Audit of the operations in Uganda for 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 Uganda should develop and implement a strategy to further support the Government in the registration process in order to improve the reliability of the information available for programme planning and decision making.	Important	Yes	Senior Registration Officer/Senior Protection Coordinator	<p>i) Improve accuracy and completeness of data recorded – to be completed by March 2022</p> <p>ii) Ensure BIMS and GDT are fully operational – Completed in April 2021</p> <p>iii) Provide additional support to the government based on a needs assessment to build the government capacity in registration process – Q1 March 2022</p>	<p>UNHCR has been addressing the following issues raised in the report:</p> <p>1(i) Improve accuracy and completeness of data recorded through:</p> <p>(a) generation of monthly data quality report covering photo status, refugee status, addressing, biometric status and special needs status with immediate actions taken.</p> <p>(b) enhancement of documentation quality check report that is run prior to documents (i.e. attestation, ID card) being issued. The report ensures that key fields in the registration module must be completed before the documents can be generated from progress.</p> <p>(c) implementation of verification/IPE strategy to filling data gaps.</p> <p>(d) development and rollout of PSN SOPs in 2021 for partners to continuously update specific needs codes in proGres data and,</p> <p>(e) upload of sectorial data into proGres.</p>

⁷ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

⁸ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Rec. no.	Recommendation	Critical ⁷ / Important ⁸	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>1(ii) Ensure BIMS and GDT are fully operational: The roll out and implementation of GDT for food assistance distribution was completed in January 2019 and detailed SOPs developed. A work plan to implement and monitor the use of GDT/BIMS for NFI distribution was developed in February 2021. The full implementation for use of GDT/BIMS for NFI distribution was finalized in April 2021 for all locations in Uganda.</p> <p>1(iii) Provide additional support to the Government based on a needs assessment to build the government capacity in registration process: To address capacity needs the following actions will/have been taken based on a situation analysis performed with OPM in different locations:</p> <ul style="list-style-type: none"> (a) rollout of offline proGres (RAPP) to address connectivity challenges in all the settlements. (b) refresher training on registration SOPs and related addendums (planned for Q4, 2021). (c) replacement of absolute OPM registration equipment is ongoing. (d) update of the risk register on verification/IPE and continuous registration while recognizing limited UNHCR role given the registration is a government mandate.

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						UNHCR Uganda notes that the registration is undertaken by the Government of Uganda through the Office of the Prime Minister (OPM), a statutory responsibility that is enshrined in the 2006 Refugee Act. OPM rejected the development of a joint strategy in 2019 indicating that the MOU on Registration and Data Management (established in 2019) sets a 5-year joint high-level framework outlining key areas of collaboration, roles/responsibility and data management including linkage to the national system.
2	The UNHCR Representation in Uganda should: (i) up-date its standard operating procedures to clarify responsibility and accountability for non-food items (NFIs) until distribution; (ii) address capacity of partners involved in warehousing and distribution processes; (iii) finalize investigations over reported NFI losses and make recoveries if warranted; and (iv) put in place measures to properly safeguard inventory in warehouses.	Important	Yes	Coordinated under the Assistant Rep Programme	2(i) identification of weakness on the existing SOP, extensive revision and consultation of the revised SOP has been completed. The finalized SOP will be issued by September 2021 . Monitoring and support will continue throughout 2021/22. 2(ii)UNHCR Uganda plans to complete the training and comprehensive list	2(i) Identification and analysis of weakness: Supply, Operation, Programme, Risk Management undertook a mission to identify the systematic weakness in January/February 2021 with progress/follow-up review in May/June 2021. SOP revision and consultation: Based on the recommendations and observations of the January/February mission, review of the Standard Operating Procedure has been conducted with a detailed review undertaken in discussion with all stakeholders in Country Office Kampala, Sub-Office, Field Office and Partners. Additional comments are being currently addressed and the revised SOP is planned to be released in September 2021. Training (on the implementation and monitoring) on SOPs: On the job training during

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					<p>to be completed in Q4 2021 pending on the lockdown due to COVID; however, it will be an ongoing process to keep it updated.</p> <p>2(iii) tentatively by the end Q4 2021</p> <p>2(iv) by end Q4 2021</p>	<p>the January/February and May/June 2021 on the warehouse and CRI management will continue in Q3/4 2021 to be deeply ingrained in the actual implementors on the ground. Joint monitoring on the progress will be conducted in Q4 2021 by the partners, field offices and CO Kampala.</p> <p>2(ii) Inventory Management: Inventory management of three warehouses is completed which will be continued to be monitored. The standardized inventory of the 12 distribution storing points across the country is ongoing and initial comprehensive inventory with thorough review will be completed by Q3, 2021 and thereafter reviewed on regular basis. Training: inventory management training was already conducted during the month of May 2021 by the Supply Unit to both partners and UNHCR colleagues in Sub-Office Adjumani and Lamwo. Identical training is planned to be rolled out to all locations and is expected to be completed before the end of 2021 provided that Uganda does not go into a third and/or fourth COVID lockdown as it is difficult and much less effective to conduct such hands-on training online.</p> <p>2(iii) Reported unaccounted NFIs/ CRIs in 2018: The review was</p>

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						<p>continued through June 2021 and concluded in July 2021 but was not conclusive in determining an assured reconciled unaccounted NFIs/CRIs inventory amount. Following a structured template approach to the reconciliation significant gaps continued in available information. Discussion is being held with the Regional Bureau on how best to conclude the review over the NFI/CRI loses and looking prospectively suggestions to improve inventory management including future inventory level reconciliations.</p> <p>In this regard, risk mitigation measures are continuing to be implemented across several areas (including to address other concerns identified with NFI distribution and warehousing). Meanwhile various mitigation mechanisms are put in place and being put in place to prevent a similar situation occurring again. This includes online NFI/CRIs management system software developed in July and currently under test-run. Lessons learnt from the test run will be used to update the software as required and this online system will be rolled out country wide.</p> <p>2(iv) Security: The supply function is currently undertaking procurement of fire safety for all MSRP locations. CCTV in Nakivale underway and</p>

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						tender floated to cover the electrical works. Assessment underway for the Bidibidi warehouse. Tender to address the gap will be floated upon receipt.
3	The UNHCR Representation in Uganda should: (i) update and implement its water, sanitation and hygiene strategy to direct the provision of water services to persons of concern until they transition to national systems; and (ii) strengthen its monitoring of partner activities to ensure programmes are implemented effectively.	Important	Yes	Technical Coordinator	By Q3 2021	<p>The following activities are being undertaken:</p> <p>3(i)UNHCR Strategy: Noting that UNHCR is one of many players on water assistance to refugees, UNHCR Uganda Strategy continues to seek integration of the water service to the national water system. However, for the transitional period, a review of the UNHCR WASH Strategy/Country Plan of Action in line with the CRRF Water and Environment Sector Response Plan (WERRP) is being conducted. To feed into a national plan, our strategic paper focusses mainly on the UNHCR component of the WASH Sector Response and UNHCR role in transition of management of service delivery to Government of Uganda mandated Institutions. Equitable water distribution inclusive of refugees: It should be noted that water management including that of the Persons of Concerns to UNHCR are under the national water authorities' responsibility based on the Global Compacts on Refugees and with the agreement of the Government of Uganda, as such, UNHCR continues to advocate equitable water</p>

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						<p>distribution to the refugees and national populations while advocating for refugees.</p> <p>3(ii) Request the recommendation be rephrased to amend the word ‘ensure’ to ‘facilitate’ to read: “strengthen its monitoring of partner activities to ensure facilitate effective programme implementation”</p> <p>Action Plan: Development of a Monitoring and Evaluation Framework in line with CRRF Water and Environment Sector Response Plan (WERRP) for the UNHCR funded component of the Response. Technical Support: Providing technical oversight in implementation of document 1&2 above. In addition, playing catalytic and convening role in implementation of WERRP.</p>
4	The UNHCR Representation in Uganda should strengthen its procurement activities by developing annual procurement plans and improving its oversight mechanisms to ensure full compliance with UNHCR procurement policies and procedures in order to obtain best value for money and strengthen its completion of construction work in a quality and timely manner.	Important	Yes	4 (i) and (ii) Snr Supply Coordinator, 4(iii) Technical Coordinator	4(i) and 9ii) by Q4 2021 and 4(iii) Q3 2021	Request the recommendation be rephrased to amend the word ‘ensure’ to ‘facilitate’ and “strengthen” to read: “The UNHCR Representation in Uganda should strengthen its procurement activities by developing annual procurement plans and improving its oversight mechanisms to ensure facilitate full compliance with UNHCR procurement policies and procedures in order to obtain best value for money and ensure strengthen the completion of construction work is completed in a quality and timely manner.”

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						<p>The following activities are being undertaken:</p> <p>4(i)Annual Procurement Plan: Initial Procurement plan prepared and shared with the Regional Bureau EHAGL for their view. Procurement plan review in progress following MYR. Bearing in mind that the plan may change pending the COVID situation, the initial 2022 Annual Procurement plan will be developed in Q4 2021.</p> <p>4(ii) Oversight mechanism and Monitoring: Training - Country level training scheduled for the second half of August 2021 with the HQ Field Procurement Unit for capacity building and implementation of the newly issued AI-2021-05 on Procurement which takes effect from 1 September 2021 (including a transitional provision to 1 January 2022 if required). The training will further reinforce the technical competencies of the supply staff. Supply has also placed systematic system check for the Local Contract Committee (LCC) to enhance the oversight function of CO Kampala Supply. Analysis will be done on the quarterly basis to enhance the oversight function as well as ensuring</p>

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						<p>the compliance to the rules and regulations. Nonetheless, the issues of poor contract management identified by OIOS is not unique for Uganda operation but is seen in many other country operations. For the same reason, the Regional Bureau has for the past one and half year been requesting SMS in cooperation with the GLDC to develop a web-based training module for contract managers. The Bureau will ensure that the course should be a mandatory requirement and pre-conditional for any staff taking up the responsibility of managing a contract.</p> <p>Cost Effectiveness: Close collaboration with the Technical Unit on Project progress monitoring via the Project Management approach.</p> <p>4(iii)Value for Money: Reviewing and updating the Project Management Approach (PMA) guidelines and monitoring plans is ongoing. Capacity Strengthening of Project Engineers supervisory skills and ensure adoption of established best practice guidelines in construction by the end of Q3 2021.</p>
5	The Regional Bureau for East, Horn of Africa and Great Lakes should work with the UNHCR Representation in Uganda to implement a sustainable plan of action to address systemic weaknesses in controls	Important	Yes	Snr Supply Coordinator	By Q4 2021	The following measures have been taken to address the shortcomings. a) Comprehensive asset management action plan has been finalized and shared with staff members.

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	over fuel and fleet management and increase efficiencies in related processes.					<p>b) All vehicles purchased through the Global Fleet Management (GFM) has been confirmed with the functioning Vehicle Tracking System (VTS). The VTS for those existing vehicles which were not purchased through the GFM will be installed by the end of the year.</p> <p>d) Analysis of the usage of generators has been completed in all field location. This data will be used to allocate generator which is being planned for Q3/4 2021.</p> <p>e) Initial needs assessment of the fuel consumption per vehicle/region has been completed. Next step is to consult with the field colleagues to finalize the plan to re-allocate the fuel by Q3/4 2021. Discussion with the Partner with the new allocation to take place in Q4 2021.</p> <p>For the Q3 and Q4 2021, UNHCR Uganda will undertake the following.</p> <p>5(i) Physical verification and final cleaning of data on MSRP/FW and VTS: By the end of Q3 2021, UNHCR Uganda intends to conclude the remaining physical verification of vehicles, generators, and motorcycles due to the lockdown caused by the pandemic in June-July 2021; Continuous monitoring will be undertaken every 3 months to keep the associated data updated. Vehicle Tracking System (VTS): For all</p>

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						<p>other assets outside the purchased through the GFM (e.g. trucks and Heavy Duty vehicles), VTS is going to be installed by the end of the Q4 2021 as required by UNHCR/AI/2020/11. The VTS for the existing vehicles is currently being tracked and monitored by the field locations with oversight in CO Kampala. The information on the platforms such as VTS, MSRP and Fleet Wave will have been corrected by end of Q3 2021.</p> <p>5(ii) Fleet needs assessment, disposal plan: Input from the field has been received and the final review is being conducted in Q3 2021 in consultation with the field for the fleet needs assessment. Disposal: UNHCR Uganda has already established a disposal plan for vehicles and is currently working on the same for motorcycles and generators by the end of Q4 2021 (after the physical verification completed), pending on the availability of the funds for disposal, which is costly and may be beyond our funding level.</p> <p>Furthermore, AFMS is undertaking an exercise for 2021 fleet planning and sizing beginning in August 2021 through to October through East Africa including Uganda. This will include review of fleet utilization,</p>

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						<p>confirmed commitments of operations for the release of vehicles for disposal, planned activities for 2022, fleet requirements, commercial rentals for Partners, fleet mix composition, finalization of fleet plan for 2022 etc.</p> <p>5 (iii) Control over fuel and action for abnormalities: For the fuel allocation of the vehicles, field input on the required fuel amount has been gathered which will form the basis of review by the CO Kampala and subsequent discussion with the field/partners in Q3 and Q4 2021, with the intent to have the new needs-based allocation as of Q1 2022. In addition, interaction continues with AFMS related to fuel management through survey using 2020 data in a number of areas to better understand the different issues related to fuel procurement, distribution, storage, and overall management.</p> <p>Fuel allocation for the generators and motorcycles will be done after the physical verification and inputs from the field. Raw data have been prepared and a thorough assessment will be carried out in Q3 2021. Needs assessment for the Heavy-Duty vehicles is ongoing and will be completed in Q4 2021.</p>

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						<p>The operation has engaged its Partners on pilot data for the Fleet Wave data entries. A significant change on the data entries can be noted on the entries compared to the beginning of the year. This will help us in fleet wave management especially fuel management and maintenance and repair.</p> <p>The office will engage DESS and the Regional Bureau to address any structural weaknesses related to fleet and fuel management.</p>
6	The Regional Bureau for East, Horn of Africa and Great Lakes should work with the UNHCR Representation in Uganda to enhance its partnership management by implementing a sustainable plan that strengthens: (i) due diligence prior to selecting partners and the delegation of activities; (ii) partner capacity building efforts and monitoring of their activities; and (iii) the management of risks associated with projects implemented by the Government partner (including salary top ups).	Important	Yes	Assistant Representative (Programme)	Q4 2021	<p>Request the recommendation be rephrased to amend the word ‘ensure’ to ‘strengthens’ to read: “The Regional Bureau for East, Horn of Africa and Great Lakes should work with the UNHCR Representation in Uganda to enhance its partnership management by implementing a sustainable plan that ensures strengthens: (i) due diligence is done prior to selecting partners and the delegation of activities; (ii) enhancement of partner capacity building efforts are enhanced and adequate monitoring of their activities adequately monitored; and (iii) the addressing of risks associated with projects implemented by the Government partner (including salary top ups). are addressed</p> <p>The following activities have been undertaken.</p>

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						<p>6 (i) Partner Selection: The operation has retroactively completed the requested documentation including delegation of activities. The various management guidelines which had guided the 2019 partner selection process has now been re-arranged and prepared ready for OIOS validation.</p> <p>Compliance to the rules and regulations: In terms of demonstrating full compliance to UNHCR procedures in the partner selection and retention of partners, Uganda operation has initiated a fresh partners retention process for 2022. The operation has been keen to apply lessons from the completed OIOS mission. The complete documentation for the ongoing partner selection process shall be available for OIOS by Q4 2021.</p> <p>6 (ii) Capacity Building: In 2021, the operation has programmed various capacity enhancement activities covering both partner and UNHCR staff and these will be delivered either through physical participation or by virtual means. The operation has undertaken capacity needs assessment for the 17 partners who were eligible for the 2022 partners retention exercise, through the following approaches.</p> <p>a) Detailed risk assessment and due diligence determination that was</p>

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						<p>undertaken by the Risk management and compliance unit as part of the 2021 IPMC input.</p> <p>b) Gap analysis which have been conducted by the various field based multifunctional teams being their submissions to the IPMC in timely manner to ensure full information disclosure for the selection.</p> <p>c) Capacity needs identified by the different technical sections mainly based on the periodic monitoring exercises.</p> <p>Although some of the activities are already underway, UNHCR Uganda expects most of the capacity enhancement Programmes to be implemented in the Q3 and Q4 of 2021. Please note a schedule of the planned activities is available for OIOS information, actual implementation progress, including relevant outputs shall be complied by end of Q4 2021.</p> <p>6(iii) Risk Assessment: Effective 2021, UNHCR HQ developed new guidelines on partner risk assessment. This guideline incorporates a clearer method for the determination of monitoring frequency and number of instalments throughout the year. To “strengthen” full compliance to these new guidelines and address the gaps identified by the OIOS, the</p>

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						<p>Uganda Operation developed the 2021 PPAs with full integration of the risk assessment results for each partner. Those note on the Performance and Financial monitoring, developed by the Operation are available upon request. Further, the operation has developed a matrix that will be used to track comments and observations that arise from the periodic multifunctional monitoring missions for each partner, and how each observation will be addressed. At the time of this response, the 2021 midyear monitoring activities, including PPA revisions were still underway. An updated matrix will be available for OIOS review in Q4 2021.</p> <p>Government Partnership: Discussions have been ongoing between UNHCR senior management and the relevant Government authorities. Following a joint Government – UNHCR retreat that was held in April 2021, the Government renewed their commitment to ensure full harmonization of Government officials Top ups. UNHCR has therefore drawn a DRAFT road map, that is expected to be implemented by both sides in Q4 2021. Further, UNHCR Uganda has sought the support of the UNHCR HQ</p>

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						<p>(IMAS) and the Regional Bureau so that experiences and lessons learned from other operations can be gained for use in resolving the Uganda situation. It is expected that practical guidelines will be finalized by headquarters to be used by UNHCR operations who work closely with government ministries by Q3/Q4 2021. It is also understood that there is to be an OIOS advisory in the latter part of 2021 related to Government partners in another operation for which the findings could have applicability to Uganda operations and overall for UNHCR.</p>