



INTERNAL AUDIT DIVISION

REPORT 2022/028

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

The Representation in South Sudan needed to strengthen its programme capacity to plan, manage and monitor implementation so quality services are delivered to persons of concern in a timely and cost-effective manner

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

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of operations in South Sudan for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the Representation was managing the delivery of services to persons of concern (PoCs) in a timely and cost-effective manner, and in compliance with UNHCR's policy requirements. The audit covered the period from January 2020 to September 2021 and included: (a) planning and resource allocation; (b) shelter, settlement infrastructure and non-food items (NFIs); (c) child protection and education; (d) sexual and gender-based violence (SGBV); (e) procurement and contract management; and (f) fuel and fleet management.

The Representation in South Sudan operated in a challenging operating environment characterized by sub-national violence and seasonal flooding, compounded by restrictions occasioned by the COVID-19 pandemic, limited resources and the country's poor infrastructure. There was a need therefore for reinforced strategic planning and closer oversight of partners' implementation of child protection, education, SGBV and shelter programmes if the Representation was to deliver services to PoCs in a timely and cost-effective manner and better safeguard UNHCR resources.

OIOS made seven recommendations. To address issues identified in the audit, UNHCR needed to:

- Strengthen its resource allocation to achieve the desired impact amongst PoCs, and verify the PoC numbers used for its planning decision making;
- Reinforce the programme unit's capacity to manage and oversee programme implementation by partners and produce reliable performance data for planning and decision making;
- Strengthen controls over planning for, receipt, distribution, storage and accountability of shelter and NFIs and review reported losses and make recoveries if warranted;
- Strengthen its planning, management and monitoring of its education and child protection programmes to reach children with quality and timely services;
- Evaluate the effectiveness of the SGBV programme as a basis for strengthening the programme's prevention and response to survivors;
- Prepare a comprehensive procurement plan and monitor related thresholds to ensure approvals at appropriate levels are obtained before contracts are signed and better manage contracts; and
- Address systemic weaknesses in controls over fleet and fuel management to increase efficiencies in related processes.

UNHCR accepted the recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

CONTENTS

| | |
|---|---------------------------------|
| I. BACKGROUND | 1 |
| II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY | 1-2 |
| III. AUDIT RESULTS | 2-11 |
| A. Planning and resource allocation | 2-5 |
| B. Shelter, settlement infrastructure and non-food items distribution | 5-6 |
| C. Child protection and education | 7-8 |
| D. Sexual and gender-based violence | 8-9 |
| E. Procurement and contract management | 9-10 |
| F. Fuel and fleet management | 10-11 |
| IV. ACKNOWLEDGEMENT | 11 |
| ANNEX I | Status of audit recommendations |
| APPENDIX I | Management response |

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I. BACKGROUND

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

2. The UNHCR Representation in South Sudan (hereinafter referred to as the Representation) was established in 2012 to provide refugees, asylum seekers and other persons of concern (PoCs) with international protection and humanitarian assistance. As of October 2021, South Sudan was hosting 306,113 refugees and 3,787 asylum seekers; 93 per cent of whom were from Sudan, and 7 per cent from the Democratic Republic of Congo, Ethiopia and Central African Republic. These refugees were primarily hosted in 21 camps and urban locations in the states of Upper Nile, Unity, Western Equatoria, Central Equatoria, and Jonglei.

3. The security situation in South Sudan was volatile, with an estimated 1.6 million persons displaced internally due to sub-national violence in Central Equatoria, Warrap and Jonglei States. The floods in 2019 and 2020 also affected the living conditions for some 150,000 refugees, 650,000 internally displaced persons (IDPs) and the host community in Upper Nile state. The restrictions occasioned by the COVID-19 pandemic impacted the implementation of the 2020 and 2021 programmes.

4. The Representation was headed by a Representative at the D-1 level and it had as of 30 June 2021, 344 regular staff posts (91 professionals, 253 nationals and 20 affiliates). The Representative reported to the Director, Regional Bureau for East and Horn of Africa and Great Lakes (the Bureau). The Representation had a Branch Office in Juba, two sub offices in Bunj and Jamjang and seven field offices. The Representation recorded a total expenditure of \$116 and \$115 million in 2020 and 2021 respectively. Thirty-four and 26 partners implemented programme activities worth 59 per cent of the operating level budget in 2020 and 2021 respectively.

5. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess whether the Representation was managing the delivery of services to PoCs in a timely and cost-effective manner, and in compliance with UNHCR's policy requirements.

7. This audit was included in the 2021 risk-based work plan of OIOS due to the challenging operating environment, high budget and the protracted refugee situation.

8. OIOS conducted this audit from November 2021 to March 2022 and covered the period January 2020 to September 2021. Based on an activity-level risk assessment, the audit covered higher risk areas in the Operation in South Sudan, which included: (a) planning and resource allocation; (b) shelter, settlement infrastructure and non-food items (NFIs); (c) child protection and education; (d) sexual and gender-based violence (SGBV); (e) procurement and contract management; and (f) fuel and fleet management.

9. The audit methodology included: (a) interviews with 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, UNHCR's results-based management system; (d) review of data extracted from ProGres, the UNHCR registration and case management system; (e) sample testing of controls; and (f) observation of processes and project activities including visits to six implementing partners that spent \$48.4 million in the period under audit on protection, delivery of basic services and logistics management.

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

III. AUDIT RESULTS

A. Planning and resource allocation

Need to reinforce strategic planning to ensure timely, quality and impactful service delivery to PoCs

11. The Representation had primary and shared responsibilities for the delivery of services to almost 2 million refugees and IDPs, and the host community comprising of some 250,000 people. The Representation had sectoral strategies in place to drive its vision in the multi-year protection vision (2021-23), but as reflected in the report, they needed revision to be more responsive to PoC needs. For instance: (a) the education strategy did not include how to increase enrolment as 60 per cent of children of school going age were not in school; and (b) the child protection strategy did not include identification of durable solutions for unaccompanied and separated children (UASCs).

12. The Representation's operational planning was supported by participatory assessments that identified protection needs for prioritization. It however did not have reliable PoC data to support its planning and decision-making processes. This was because the last population verification, conducted by the Representation in 2018, did not cover major refugee hosting locations of Maban, Jamjang and Yida. This verification also identified 58 and 18 per cent reduction in refugee numbers in Juba and the Gorom refugee camp respectively, which was yet to be explained. The Representation was planning to complete another verification exercise by December 2022.

13. The gap between operational needs and available budgets increased over the years, with the Representation receiving 77, 59 and 45 per cent of its requirements for 2019, 2020 and 2021 respectively. Despite these cuts, the Representation retained 11 priority areas in its protection strategy, with 52 per cent of its 2020 and 2021 programme budgets spread thinly across them. Thus, key strategic areas such as child protection were underfunded and received only one per cent of the budget despite children constituting 60 per cent of the total refugee population. This impacted the Representation's delivery of timely and quality services to PoCs, with it only able to reach 860,000 persons with assistance out of the 1.9 million PoCs identified as vulnerable.

14. The Representation's challenges in resource allocation were evident regarding its staffing of areas of strategic importance once budgets were reduced. Despite having 364 staff positions, it discontinued 14 positions and downgraded 8 in areas of shelter, SGBV, child protection and education. The distribution of staff in terms of numbers and seniority was skewed towards the Branch Office yet programme implementation happened at the field level. The Representation's decentralization of service delivery needed to be matched with strengthened staffing at field offices and stronger oversight over them by the Branch Office. After the audit, the Representation begun a review of its staff structure (including programme capacity) to ensure that its structure is balanced in Juba and at the field level thereby enhancing its ability to timely deliver quality services to PoCs. Based on the action being taken, no recommendation has been made.

15. Considering the resource constraints, the Representation needed to identify through more robust planning ways to deliver its programmes more economically and efficiently. As demonstrated in the report, the Representation's resources could be better employed, as there was evidence of wastage. This included: (a) medicines expiring in storage, estimated at \$200,000 per year; (b) over-procuring items already available in stock or that were no longer priority items, resulting in high levels of slow-moving NFIs in inventory worth \$650,000; (c) an accumulation of obsolete spare-parts worth \$2 million due to inadequate needs assessment of levels of parts needed; and (d) increased implementing partner staff costs reducing funds for programme activities. Additionally, despite the poor infrastructure in the country and resultant high logistical costs, and contrary to UNHCR's strategic direction, the Representation had not transitioned from in-kind to cash assistance, even though a 2018 study showed that it was a more cost-efficient modality. The Representation needed to explore alongside other United Nations agencies options for minimizing its high air freight costs to the camps.

16. Although similar areas were previously identified in OIOS reports (Report 2016/049 and Report 2018/110), measures implemented to address OIOS recommendations had not been sustained. The Representation attributed this to high staff turnover due to UNHCR's 18-month assignment length for South Sudan and challenges of attracting and retaining suitably qualified staff. This matter called for increased Bureau oversight and support to ensure controls are strengthened in a sustainable manner.

(1) The UNHCR Representation in South Sudan in collaboration with the Regional Bureau for East and Horn of Africa and Great Lakes should: (i) ensure robust allocation of resources in line with strategic and person of concern (PoCs) priorities; (ii) verify the number of PoCs to aide programming decision-making; and (iii) reduce inefficiencies in programme implementation.

UNHCR accepted recommendation 1 and stated that the Representation has developed a detailed action plan aimed at addressing the root causes of the weaknesses identified by OIOS and is putting in place the steps and tools that will reduce inefficiencies, ensure robust allocation of resources in line with PoC priorities as outlined in its multi-year strategy. The verification of PoCs is ongoing as per the previous plan shared with OIOS and is expected to be finalized by Quarter 4 of 2022.

Need to strengthen the Representation's programme capacity to manage partners and performance

Partnership management

17. The Representation delegated the implementation of 59 per cent of its programme budget to partners. However, this was without conducting the required cost benefit analysis to inform its decision on whether to directly implement or delegate programmes to partners. Also, when designating procurement worth \$9.5 million to its partners, the Representation did not comprehensively assess their capacity nor determine whether it would present a comparative advantage to UNHCR. For instance, the Representation delegated construction projects worth \$650,000 to a partner in 2021 despite having capacity inhouse to directly implement them. A review of this partner's management of constructions worth \$463,414 found that the partner (i) did not have technical evaluation documentation to support award decisions; (ii) awarded contracts to the highest bidder without proper justification; and (iii) only retained a percentage of fees for one month, which was too short to detect any project defects.

18. In response to the decreased funding, the Representation reduced the number of implementing partners from 34 in 2020 to 26 in 2021. However, the 24 per cent reduction in numbers only resulted in a 1.7 per cent decrease in partner costs (\$24.1 to \$23.7 million). This was because the implementation was consolidated to fewer partners and costs of one newly selected partner was significantly higher by over half a million dollars mainly due to the partner being designated to procure shelter kits and therefore had higher

administration costs. The Representation also needed to review the relatively high partner staff costs which averaged 59 per cent of their budget, reducing the level of available funding for programme activities.

19. The Representation constituted multi-functional teams (MFTs) and project control to monitor the programme implementation by partners. However, their effectiveness was impacted by: (i) the shortage of technical experts to oversee programmes; (ii) desk-based financial verifications by project control which were limited in coverage and depth; and (iii) the number and type of monitoring visits conducted was not reflective of the assessed partner risk. Consequently, MFTs had not identified for mitigation key issues affecting their programmes. This included, for example: (i) the low number of PoCs reached with services; (ii) reported issues with the quality of services delivered; (iii) partners' inability to meet set targets; and (iv) internal control weaknesses in procurement and financial management.

20. The indicators and targets listed in project partnership agreements were not aligned to the corporate ones in FOCUS, and data was not always appropriately captured and reported on. For example: (a) education indicators in FOCUS related to number of children enrolled in school whereas the partner reported on infrastructure; and (b) the Representation estimated the SGBV case reporting rate in Jamjang's Pamir refugee camp at 20 per cent yet the partner reported it as 80 per cent. MFTs were not focusing on assessing partners' performance during monitoring visits and therefore, ensuring that poor performance was acted on.

Performance management

21. Gaps in the Representation's performance framework impacted its ability to provide reliable data for decision making. For instance, the indicators in FOCUS were not aligned to the listed interventions, e.g., the Representation incorrectly reported on prevention activities under the SGBV response objective, key parameters for programme success such as children's enrolment in schools did not have targets, and no baselines were established to measure performance in education. In an environment with a high prevalence of UASCs, the Representation's target for best interest assessments (BIAs) was 5 per cent when the UNHCR standard was 100 per cent.

22. There was a disconnection between the results in FOCUS and what was reported by sector specialists in the field. For instance, FOCUS showed that 63 per cent of children of school-going age were enrolled in primary education yet available education reports placed the number at 47 per cent. FOCUS reported that 100 per cent of all households were living in adequate dwellings yet reports from Bunj and Jamjang placed the number at 36 per cent. Further, the Representation did not meet its targets for key areas of strategic importance in areas of registration, education, SGBV, shelter and provision of potable water. It also did not analyse reasons for non-performance, and there was no evidence that actions were taken to address identified deficiencies. These issues are unlikely to be addressed by the transition to the new planning system, COMPASS, and thus need to be prioritized for resolution.

23. The Representation's programme unit is responsible for partner and programme performance management and so the issues above reflect gaps in its capacity to effectively execute its role. Unless addressed, this will continue to impact implemented programmes and delivery of services to PoCs.

(2) The UNHCR Representation in South Sudan in collaboration with the Regional Bureau for East and Horn of Africa and Great Lakes, should: (i) review the programme unit's capacity to manage and oversee programme implementation by partners; and (ii) revise its performance framework to provide accurate programme data for planning and decision making.

UNHCR accepted recommendation 2 and stated that the Representation has strengthened its programme capacity by recruiting staff, at the international level, to contribute to the development of its multi-year strategy and develop Standard Operating Procedures (SoPs) and tools for implementation of activities in Cash-Based Interventions, Shelter and Livelihoods. A revision of indicators and targets data is ongoing to ensure accurate data and information that supports planning and decision-making. A country-wide training for multi-functional team members aimed at building their capacity to support effective monitoring focused on timeliness, quality and quantity of delivered services will be provided by the UNHCR Regional Bureau and relevant HQ colleagues in Quarter 3 of 2022.

B. Shelter, settlement infrastructure and non-food item distribution

Need to ensure shelter and NFIs reach intended beneficiaries and are properly accounted for

Shelter and settlement infrastructure

24. The Representation implemented shelter and infrastructure programmes worth \$8.6 million primarily in Bunj and Jamjang. However, the Representation only reached 36 per cent of households in the two locations with transitional shelters by October 2021. The rest of the PoCs continued living in emergency shelters beyond the six-month period prescribed by UNHCR despite their deterioration and exposing PoCs to health and safety risks.

25. The Representation attributed the inadequate shelter coverage to limited financial resources. However, OIOS noted that net shelter costs increased by \$517,400 in 2021 due to the doubling of shelter unit costs under the new implementing partner (due to the designation of procurement of shelter kits), and additional administrative costs. There were also opportunities to use available resources more efficiently and equitably, as the Representation allocated the same size of shelter (17.5 square meters) to PoCs regardless of family size. Thus, the space was inadequate for larger families and inefficient for smaller ones. The Representation also relocated PoCs from Yida to Jamjang to newly constructed shelters, but 38 per cent of the shelters were subsequently abandoned and laid to waste as refugees returned to their old settlements following conflicts with host communities. This could have been avoided if the Representation had consulted with PoCs prior to their relocation.

26. The Representation did not have documentation to account for the shelters delivered to PoCs nor evidence that beneficiaries received the shelter kits since partner staff signed off distribution sheets on behalf of the refugees.

NFIs distribution

27. The Representation distributed NFIs worth \$18.6 million in the audit period. However, when planning, it did not have up to date needs assessments and thus used the average NFI consumption over seven years. This resulted in excessive procurement and holding of NFIs for long periods. At the time of the audit, the Representation had slow-moving and/or obsolete NFIs worth over \$650,000, some of which had been in warehouses for over two years with little movement. This included 26,413 synthetic sleeping mats valued at \$55,468 for which less than 3,200 were distributed annually. This not only held up funds in stock but also increased storage costs and raised the risk of loss through theft.

28. A review of records of the partner responsible for procuring NFIs worth \$5.9 million showed that: (i) solicitation documents included specifications that favoured particular brands and in some cases the specifications were unclear; (ii) technical evaluations were not available to support selection decisions; (iii)

decisions for not selecting the lowest bidders were not justified; and (iv) there was a lack of goods received notes.

29. There was a need for the Representation to improve its management of partners' responsible for receipt, management and distribution of NFIs. For instance, the Representation: (a) delegated to partners the selection of beneficiaries, without providing criteria to support the identification and prioritization of the most vulnerable persons during NFI distributions; (b) assigned NFI distribution and post distribution monitoring without adequate supervision to mitigate against the risk of inadequate segregation of duties; and (c) issued large quantities of NFIs to partners without them providing information on their planned distributions. Additionally, partners were not required to return undistributed NFIs to the designated MSRP warehouse and consequently, inventory worth \$224,783 was held in non-MSRP stores, which did not meet UNHCR's minimum standards of safety and security and were not insured against loss.

30. The Representation did not have adequate procedures or an overall system in place to properly oversee and account for those NFIs received, in inventory and distributed. As a result, NFIs were held for long periods both in MSRP and non-MSRP warehouses without recording them in the MSRP system, and this exposed them to risk of loss. The Representation was unable to reconcile items issued from MSRP warehouses and what was distributed by partners for 12 samples selected in Jamjang. It did not have documentation to account for: (i) 170 plastic tarpaulins issued in May 2021; (ii) 565 boxes of laundry soap issued in May 2020; and (iii) 75,892 pieces of laundry soap and 149,692 pieces of bathing soap issued in June and July 2021.

31. The Representation did not always conduct the mandatory on-site and post distribution monitoring of NFIs to confirm that items reached intended beneficiaries. OIOS contacted 12 beneficiaries in Jamjang, 3 of whom did not respond to the request to meet, 2 affirmed that they had received the items and 7 (78 per cent) reported that they either did not receive the items or had only received a portion of what was indicated in the signed beneficiary list.

32. The above weaknesses were attributed to inadequate programmatic capacity to plan for and monitor shelter and NFI operations. OIOS was however of the view that this could also be attributed to inadequate partnership management and oversight as referred to above and that it resulted in items unaccounted for or in losses.

(3) The UNHCR Representation in South Sudan should: (i) strengthen controls over the planning for, receipt, distribution and storage of shelter and non-food items (NFIs); (ii) maintain adequate documentation to ensure proper accountability of UNHCR resources; (iii) review NFI distributions for possible losses and where appropriate initiate action to recover lost resources; and (iv) assess the reasonableness of and revise shelter designs and costs charged by the partner.

UNHCR accepted recommendation 3 and stated that the Representation was developing a new shelter strategy which considers environment impact, designs and costs. An internal offline approval process for procurement of shelter kits, NFIs, medicines and medical equipment has been put in place to rationalize procurement of these items. A NFI MFT has been established at Juba to deliberate on NFI issues in line with NFI SoPs and related tools which have been put into effect for efficient management of NFI in the operation.

C. Child protection and education

Need to increase coverage of child protection and education services to children at risk

Child protection

33. The Representation estimated that children comprised of 60 per cent of the PoCs in South Sudan and it spent \$1.2 million through partners on child protection in the audit period. The Representation had a country specific child protection strategy that supported the prioritization of key related interventions implemented through partners but did not have up to date location-specific statistics for children at protection risk including UASCs.

34. Partners conducted best interest assessments and determinations (BIA/Ds), which guided and supported decision making on the most appropriate actions to take for children at risk. The number of best interest procedures (BIPs) was very low to create any meaningful impact on the wellbeing of children at risk. For instance, against the overall population of UASCs of 9,699 in 2020, the Representation set a target of 464 BIPs i.e., 440 BIAs and 24 BIDs. The partner in Jamjang and Bunj where most children resided in 2020 conducted only 437 BIPs (404 BIAs and 33 BIDs).

35. OIOS reviewed 59 BIP case files and noted that: (i) there was confusion around the criteria and thresholds for BIAs and BIDs, resulting in the latter being done when the former would suffice; (ii) BIDs did not always address the protection needs of affected children; (iii) BID panels lacked the requisite experience, which impacted the quality of their work; and (iv) case files contained identical texts in BIDs and BIAs which reflected an absence of independent supervision by the Representation.

Education

36. The Representation spent \$8.8 million in the audit period and supported 62,500 and 5,800 school going children to attend primary and secondary schools respectively. Out of 126,186 refugee children of school going age, 60 per cent were not attending school in 2020 and 2021. Still, this was an improvement since OIOS last audit, where the figure was 80 per cent. The significant gap was mainly attributed to limited funding for an early child development programme, insecurity in the country, poor school infrastructure especially at the secondary level and national customs that support early marriages. The Representation had reviewed these matters in 2020 but had not adjusted its strategy or implemented recommendations following its review to address them.

37. There were major disparities between the number of children in primary school and those in secondary school. For instance, in Maban, the Representation had enrolled 34,456 pupils across 24 primary schools as compared to 1,006 in three secondary schools. In Doro camp, there were 71,283 children as of October 2021, 12,164 of whom were attending primary school, but it did not have a secondary school. This presented a gap on the continuity of child education and exposed the children to protection related risks.

38. The Representation did not collect key data to inform its planning and decision-making processes such as: (a) refugee children's access to education as reflected in enrolment, attendance and dropout rates; (b) quality of education as reflected through teacher/pupil ratios and qualifications of teachers; (c) ratio of girls to boys attending school and female to male teachers; and (d) costs per PoC. MFTs did not verify programme implementation against the approved work plan and revised targets, but only relied on partner reports in its annual performance reports. This resulted in inconsistencies between available data and reports in FOCUS e.g., the actual number of children enrolled in secondary school in 2020 was 4,595 but FOCUS

reported 29,240. Also, per the 2021 mid-year performance results, 88,200 pupils were enrolled in primary school, but the education management system placed the number at 53,837 by October 2021.

39. Most of these issues had been identified in the 2018 audit and the Representation attributed the limited progress in addressing them to the lack of dedicated experts and gaps in programme implementation by partners due to downsizing of staff from six to two in Jamjang and downgrading and reducing salaries of those in Bunj. Subsequent to the audit fieldwork, the Representation enhanced its staff capacity to manage the delivery of child protection and education services. These issues are already partially covered under recommendations 1 and 2. This impacted UNHCR's ability to provide quality child protection support services.

(4) The UNHCR Representation in South Sudan should plan, manage and monitor the delivery of quality and timely child protection and education services to children at risk.

UNHCR accepted recommendation 4 and stated that the Representation has developed a comprehensive plan to address the risks noted in the OIOS report. The Representation has strengthened its SGBV, Child Protection and Education capacities in Juba, Jamjang and Maban by recruiting international staffs to cover these sectors in the Sub Offices with coordination the overall response from Juba. To inform a consistent approach in addressing the Child Protection and education gaps, these colleagues are conducting missions and reviews of existing approaches to determine the gaps and develop SoPs and tools to improve management of Child Protection and Education activities. An assessment of the education needs has been completed to inform the revision of the operation's education strategy in line with its Multi-Year Strategy (2023 - 2025).

D. Sexual and gender-based violence

Need to strengthen the delivery of timely and quality services to SGBV survivors

40. The Representation, through programmes implemented directly and through partners, supported 70,392 PoCs with SGBV prevention and response interventions worth \$8.4 million and primarily focused on women and girls. Interventions were informed by risk assessments, with the main categories of SGBV being physical assault, psychological and emotional abuse, denial of resources and opportunities, and rape. The effectiveness of its SGBV strategy (2021-2023) was impacted by the absence of a functional legal and judicial system in the country, limited livelihood activities to reduce vulnerability and resource constraints. At the time of the audit, the Representation had not conducted an evaluation on the effectiveness of the SGBV programmes.

41. The Representation did not have a mechanism for tracking the quality and timeliness of the services provided by partners to SGBV survivors. For Maban, the referral pathway system did not exist. In Pamir, the partner's records did not list the date and services provided and thus, it was difficult to assess the timeliness, completeness and quality of protection assistance provided to survivors. A review of six SGBV cases in Pamir showed that: (i) caseworkers were not suitably qualified to provide psychosocial help; (ii) up to 40 per cent of survivors did not have access to safe houses; and (iii) there was no follow up with SGBV survivors. The Representation did not have staff in the Branch Office and field offices to monitor quality of services provided by partners.

42. The Representation had an SGBV information management system to facilitate consolidated reporting and monitoring of SGBV incidences and to inform its programming. However, while the SGBV strategy emphasized the need for quality case management services, the Representation's performance indicators prioritized quantitative over qualitative aspects and as noted above, there were disparities in data

maintained and reported. The Representation's coordination mechanisms were not consistently operational, and this impacted collaboration among the different sectors and agencies that underpinned the successful prevention and delivery of services to SGBV survivors.

43. The Representation attributed the difficulties in achieving its objectives to inadequate funding and staff. Whilst acknowledging these problems and noting that there were plans to recruit a roving SGBV officer, better strategic direction and resource allocation could have helped alleviate the problems. Additionally, the Representation had limited staff capacity, and this resulted in gaps in its management of partners that were primarily responsible for programme implementation. This impacted UNHCR's ability to provide quality SGBV services to survivors. The need for additional staffing capacity for priority programmes is addressed by recommendation 2

(5) The UNHCR Representation in South Sudan should strengthen its Sexual and Gender-Based Violence (SGBV) services by: (i) building case management capacity to identify and respond appropriately to survivors; and (ii) evaluating the effectiveness of the programme in preventing and responding to SGBV.

UNHCR accepted recommendation 5 and stated that the Representation has developed a detailed plan aimed at addressing the risks identified by OIOS. It is working on harmonization of response across the operation and enhancing activity monitoring of case management capacity and results related to SGBV to facilitate a review of programme effectiveness in relation to identification, prevention, and response.

E. Procurement and contract management

Need to plan for and purchase goods and services in compliance with UNHCR guidelines

44. The Representation, through 461 purchase orders (POs), procured goods and services worth \$35.4 million in the audit period. This included purchases worth \$8.7 million conducted on its behalf by UNHCR Headquarters and the Regional Bureau. OIOS reviewed 15 POs worth \$8.3 million.

45. The Representation prepared annual procurement plans but they did not include: (i) purchases by partners worth \$9.5 million; (ii) medicines and medical supplies for \$2.1 million; and (iii) construction projects for \$3.8 million. These resulted in ad hoc purchases and requests to waive competitive bidding throughout the period that created inefficiencies. For example, the Representation sought exemption from competitive bidding citing exigency for medicines and air lifted two trucks and a generator worth \$631,303. However, the medicines were delivered eight months later, and the two trucks and generator had not been put into operation six months after their delivery. The procurement plans were also not developed following a needs assessment, which contributed to the inefficiencies as noted in the above examples.

46. The Representation did not obtain the required authorization from the local committee on contracts for two procurements worth \$1.4 million for transport arrangements and the rental of a guesthouse. The Representation also made changes to a transport and logistics contract without the necessary committee approval, this included: (i) extending the contract by one year; (ii) increasing the approved unit rate by \$1,000 per ton; and (iii) permitting the vendor to provide services worth \$913,170 which was beyond the approved limit of \$750,000. Similarly, the Representation made post factum notifications on six other contracts, which resulted in them exceeding thresholds set by the contracts committees.

47. The Representation did not consistently monitor contracts to ensure the timely delivery of goods and services as per the agreed terms. For example, the Representation's increase in the number of guards

and cleaners deployed without revising the contract resulted in a reduction of the respective contract periods by six and five months respectively once available funding was exhausted. The Representation also accepted delivery of medicines whose shelf life was less than one year, which resulted in medicines worth \$375,000 expiring prior to use.

48. Although the recommendation on procurement in OIOS previous audit (Report 2018/110) was closed based on documentary evidence, the audit could not confirm any sustainable improvement in controls. The Representation explained that procurement activities were constrained by delays in releasing funds, time taken to clear goods through customs; and the poor infrastructure in the country. To address these weaknesses, it had initiated measures to improve needs assessments, procurement planning and contract management, which were not yet evident at the time of the audit.

(6) The UNHCR Representation in South Sudan should: (i) prepare a comprehensive procurement plan and monitor its implementation; (ii) monitor procurement thresholds to ensure approvals at appropriate levels are obtained before contracts are signed; and (iii) monitor and manage contracts to ensure UNHCR obtains value for money.

UNHCR accepted recommendation 6 and stated that the strengthening (of areas where weaknesses were noted) in the Supply function has been developed into its detailed action plan in response to the OIOS report. A comprehensive procurement plan exists and is being reviewed and amended as part of the mid-year review. Monitoring of the procurement threshold and contracts is ongoing.

F. Fuel and fleet management

Need to strengthen fuel and fleet management

49. The Representation through framework agreements with four vendors procured fuel worth \$4.7 million for 509 vehicles and 169 generators with UNHCR and its partners between January 2020 to June 2021. OIOS reviewed five purchase orders worth \$1.2 million and noted that one of the four service providers contracted to provide 4.5 million litres of diesel was unable to supply the fuel in accordance with the contractual obligations due to its inadequate capacity. Although this was well-known, the Representation had not taken action to address the capacity issues or end their contract.

50. The Representation had not assessed its fleet and fuel needs and thus could not justify the size of its vehicle fleet, nor the number of generators held. The underutilization of vehicles was an indicator that not all of them were needed. For example, in Maban, buses had not drawn fuel in the last eight months and 9 of the 21 administration vehicles drew fuel only once in three months. The Representation had no basis for allocating the vehicles/generators and fuel to partners and programmes and thus did not set limits for the fuel drawn from stations periodically. Fuel reports showed that 11 vehicles belonging to third parties drew fuel from the fuel stations in the three months reviewed, and there was no evidence that this was reimbursed.

51. The Representation did not constitute proper controls over the receipt, storage and distribution of fuel by the partner in Maban and Jamjang. It did not witness the delivery of fuel and instead relied on records maintained by the partner which were incomplete. The partner was unable to reconcile the physical fuel with their inventory records. Additionally, despite having the Fleetwave management software, the Representation was not computing average fuel consumption for vehicles and generators to detect possible misuse and/or inefficiencies.

52. The Representation was holding spare parts worth \$2.5 million and \$433,233 that were classified as slow moving (i.e., held for over five years) and obsolete respectively. The Representation had many damaged vehicles, generators and construction equipment and had not conducted assessments in eight years to determine whether and how to dispose of these items. This not only increased storage costs, but also held up funds that could have been used for other purposes since they could still be sold. It also exposed the Representation to financial loss through theft and obsolescence.

53. OIOS had in two previous audits (Report 2016/049 and Report 2018/110) identified weaknesses in fleet and fuel management. However, OIOS found that key residual control risks remained despite the measures taken to strengthen fleet and fuel management. Despite this and the large resources invested in this area, the Representation did not list risks related to fleet and fuel management in its risk register for mitigation, exposing the Representation to a risk of reduced operational efficiency, financial loss and fraud. The Representation attributed the continued lapses in controls to limited capacity to manage fleet and fuel effectively and stated that it had engaged a fleet manager to address the identified weaknesses.

(7) The UNHCR Representation in South Sudan, in collaboration with the Regional Bureau for East and Horn of Africa and Great Lakes, should implement an action plan to address systemic weaknesses in controls over fleet and fuel management and increase efficiencies in related processes.

UNHCR accepted recommendation 7 and stated that the review of fleet is ongoing and will be concluded soon. An action plan to address weaknesses and strengthen controls over fleet management is also being prepared. A review of the usage of fuel is ongoing and will inform the SoPs on overall fuel management in the operation.

IV. ACKNOWLEDGEMENT

54. 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 South Sudan for the Office of the United Nations High Commissioner for Refugees

| Rec. no. | Recommendation | Critical ¹ / Important ² | C/ O ³ | Actions needed to close recommendation | Implementation date ⁴ |
|----------|--|---|----------------------|---|----------------------------------|
| 1 | The UNHCR Representation in South Sudan in collaboration with the Regional Bureau for East and Horn of Africa and Great Lakes should: (i) ensure robust allocation of resources in line with strategic and PoC priorities; (ii) verify number of PoCs to aide programming decision making; and (iii) reduce inefficiencies in programme implementation. | Important | O | Receipt of evidence of: (i) reallocation of resources in line with the new strategic direction; (ii) completion of verification exercise of PoCs and clean-up of population data; and (iii) actions taken to reduce identified inefficiencies in programme implementation. | 15 December 2022 |
| 2 | The UNHCR Representation in South Sudan in collaboration with the Regional Bureau for East and Horn of Africa and Great Lakes, should: (i) review the programme unit's capacity to manage and oversee programme implementation by partners; and (ii) revise its performance framework so it provides accurate programme data for planning and decision making. | Important | O | Receipt of: (i) an action plan to enhance the programme unit's capacity to better manage performance and partnerships; (ii) actions that have been taken to strengthen performance and financial monitoring of programme implementation by partners; and (iii) a revised performance framework that is linked to programme activities and actions taken to ensure that reported data is accurate. | 30 November 2022 |
| 3 | The UNHCR Representation in South Sudan should: (i) strengthen controls over the planning for, receipt, distribution and storage of shelter and non-food items (NFIs); (ii) maintain adequate documentation to ensure proper accountability of UNHCR resources; (iii) review NFI distributions for possible losses and where appropriate initiate action to recover lost resources; and (iv) assess the reasonableness of and revise shelter designs and costs charged by the partner. | Important | O | Receipt of evidence of: (i) implementation of the shelter strategy and the newly established SoPs; (ii) a reconciliation of unaccounted NFIs and shelter units, and where appropriate, action taken to recover lost resources; and (iii) implementation of the revised shelter designs and unit cost justifications by the new partner. | 31 December 2022 |
| 4 | The UNHCR Representation in South Sudan should plan, manage and monitor the delivery of quality and | Important | O | Receipt of evidence of: (i) reinforced strategies and SoPs to enhance access and the delivery of | 31 December 2022 |

¹ 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.

² 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.

³ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁴ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

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

| Rec. no. | Recommendation | Critical ¹ / Important ² | C/ O ³ | Actions needed to close recommendation | Implementation date ⁴ |
|----------|--|---|----------------------|---|----------------------------------|
| | timely child protection and education services to children at risk. | | | timely and quality of child protection and education services to PoCs; (ii) strengthening the capacity of partners to conduct best interest procedures and implement resultant actions; (iii) action plan to address monitoring of child protection and education programmes implemented by partners; and (iv) established mechanisms to collect and analyse location-specific education data and statistics to inform education programming. | |
| 5 | The UNHCR Representation in South Sudan should strengthen its Sexual and Gender-Based Violence (SGBV) services by: (i) building case management capacity to identify and respond appropriately to survivors; and (ii) evaluating the effectiveness of the programme in preventing and responding to SGBV. | Important | O | Receipt of evidence of: (i) completion of training and capacity building of UNHCR and partner staff in identifying and responding appropriately to survivors; (ii) analysis of performance data to assess the effectiveness of the programme and inform changes to the future strategy on preventing and responding to SGBV; and (iii) improved coordination mechanisms. | 31 December 2022 |
| 6 | The UNHCR Representation in South Sudan should: (i) prepare a comprehensive procurement plan and monitor its implementation; (ii) monitor procurement thresholds to ensure approvals at appropriate levels are obtained before contracts are signed; and (iii) monitor and manage contracts to ensure UNHCR obtains value for money. | Important | O | Receipt of: (a) a comprehensive procurement plan and evidence that recommendations arising from the review have been implemented that addresses the systemic and pervasive procurement control weaknesses; and (ii) evidence that appropriate approval and contract management procedures are in place. | 30 September 2022 |
| 7 | The UNHCR Representation in South Sudan, in collaboration with the Regional Bureau for East and Horn of Africa and Great Lakes, should implement an action plan to address systemic weaknesses in controls over fleet and fuel management and increase efficiencies in related processes. | Important | O | Receipt of: (i) results of a needs assessment of level of vehicles/generators needed and action taken to dispose of those in excess of operational requirements; (ii) a completed fuel needs assessment for vehicles that are aligned to programme activities; and (iii) evidence of the implementation of a plan to strengthen controls over fuel consumption and those actions taken on anomalies noted. | 30 September 2022 |

STATUS OF AUDIT RECOMMENDATIONS

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

APPENDIX I

Management Response

Management Response

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

| Rec. no. | Recommendation | Critical ⁵ / Important ⁶ | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|----------|--|---|-----------------------|--|------------------------|---|
| 1 | The UNHCR Representation in South Sudan in collaboration with the Regional Bureau for East and Horn of Africa and Great Lakes should: (i) ensure robust allocation of resources in line with strategic and PoC priorities; (ii) verify number of PoCs to aide programming decision making; and (iii) reduce inefficiencies in programme implementation. | Important | Yes | Deputy Representative | 15 December 2022 | The Representation has developed a detailed action plan aimed at addressing the root causes of the weaknesses identified by OIOS and is putting in place the steps and tools that will reduce inefficiencies, ensure robust allocation of resources in line with PoC priorities as outlined in its multi-year strategy. The verification of PoCs is ongoing as per previous plan shared with OIOS and is expected to be finalized by Quarter 4 of 2022. |
| 2 | The UNHCR Representation in South Sudan in collaboration with the Regional Bureau for East and Horn of Africa and Great Lakes, should: (i) review the programme unit's capacity to manage and oversee programme implementation by partners; and (ii) revise its performance framework so it provides accurate programme data for planning and decision making. | Important | Yes | Deputy Representative Senior Programme Officer & Senior Project Control Officer | 30 November 2022 | The Representation has strengthened its programme capacity by recruiting staff, at the international level, to contribute to the development of its multi-year strategy and develop Standard Operating Procedures (SoPs) and tools for implementation of activities in Cash-Based Interventions, Shelter and Livelihoods. A revision of indicators and targets data are ongoing to ensure accurate data and information that supports planning and decision-making. A country-wide training for multi-functional team members |

⁵ 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.

⁶ 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 | Critical⁵/ Important⁶ | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|-----------------|--|--|-------------------------------|--|--------------------------------|--|
| | | | | | | aimed at building their capacity to support effective monitoring focused on timeliness, quality and quantity of delivered services will be provided by the UNHCR Regional Bureau and relevant Implementation Management and Assurance Service colleagues in Quarter 3 of 2022. |
| 3 | The UNHCR Representation in South Sudan should: (i) strengthen controls over the planning for, receipt, distribution and storage of shelter and non-food items (NFIs); (ii) maintain adequate documentation to ensure proper accountability of UNHCR resources; (iii) review NFI distributions for possible losses and where appropriate initiate action to recover lost resources; and (iv) assess the reasonableness of and revise shelter designs and costs charged by the partner. | Important | Yes | Senior Programme Officer | 31 December 2022 | The operation is developing a new shelter strategy which considers environment impact, designs and costs. An internal offline approval process for procurement of shelter kits, Non-Food Items (NFI), medicines and medical equipment has been put in place to rationalize procurement of these items. A NFI multi-functional team has been established at Juba to deliberate on NFI issues in line with NFI Standard Operating Procedures and related tools which have been put into effect for efficient management of NFI in the operation. |
| 4 | The UNHCR Representation in South Sudan should plan, manage and monitor the delivery of quality and timely child protection and education services to children at risk. | Important | Yes | Senior Protection Officer | 31 December 2022 | The Representation has developed a comprehensive plan to address the risks noted in the OIOS report. The Representation has strengthened its Sexual and Gender-Based Violence, Child Protection and Education capacities in Juba, Jamjang and Maban by recruiting international staffs to cover these sectors in the Sub Offices with coordination the overall response from Juba. To inform a consistent approach in addressing the Child Protection and education gaps, |

| Rec. no. | Recommendation | Critical⁵/ Important⁶ | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|-----------------|--|--|-------------------------------|--|--------------------------------|---|
| | | | | | | these colleagues are conducting missions and reviews of existing approaches to determine the gaps and develop Standard Operating Procedures and tools to improve management of Child Protection and Education activities. An assessment of the education needs has been completed to inform the revision of the operation's education strategy in line with its Multi-Year Strategy (2023 - 2025). |
| 5 | The UNHCR Representation in South Sudan should strengthen its Sexual and Gender-Based Violence (SGBV) services by: (i) building case management capacity to identify and respond appropriately to survivors; and (ii) evaluating the effectiveness of the programme in preventing and responding to SGBV. | Important | Yes | Senior Protection Officer | 31 December 2022 | The Representation has developed a detailed plan aimed at addressing the risks identified by OIOS. It is working on harmonization of response across the operation and enhancing activity monitoring of case management capacity and results related to Sexual and Gender-Based Violence to facilitate a review of programme effectiveness in relation to identification, prevention, and response. |
| 6 | The UNHCR Representation in South Sudan should: (i) prepare a comprehensive procurement plan and monitor its implementation; (ii) monitor procurement thresholds to ensure approvals at appropriate levels are obtained before contracts are signed; and (iii) monitor and manage contracts to ensure UNHCR obtains value for money. | Important | Yes | Senior Supply Officer | 30 September 2022 | The strengthening of weaknesses noted in the Supply function has been developed into its detailed action plan in response to the OIOS Report. A comprehensive procurement plan exists and is being reviewed and amended as part of the mid-year review. Monitoring of the procurement threshold and contracts is ongoing. |
| 7 | The UNHCR Representation in South Sudan, in collaboration with the Regional Bureau for East and Horn of Africa and | Important | Yes | Senior Admin/Finance | 30 September 2022 | The review of fleet is ongoing and will be concluded soon. An action plan to address weaknesses and |

| Rec. no. | Recommendation | Critical ⁵ / Important ⁶ | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|----------|--|---|-----------------------|---|------------------------|---|
| | Great Lakes, should implement an action plan to address systemic weaknesses in controls over fleet and fuel management and increase efficiencies in related processes. | | | & Senior Programme Officer | | strengthen controls over fleet management is also being prepared. A review of the usage of fuel is ongoing and will inform the Standard Operating Procedures on overall fuel management in the operation. |