



# **INTERNAL AUDIT DIVISION**

## **REPORT 2024/091**

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### **Audit of operations in Central African Republic for the Office of the United Nations High Commissioner for Refugees**

**The Representation needed to strengthen the planning, management and monitoring of programmes to deliver services to forcibly displaced persons in a timely and cost-effective manner**

**26 December 2024**

**Assignment No. AR2024-111-02**

# **Audit of operations in Central African Republic 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 Central African Republic (CAR) for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the UNHCR Representation in CAR was managing the delivery of services to forcibly displaced persons in a timely and cost-effective manner, and in compliance with UNHCR's policy requirements. The audit covered the period from January 2022 to December 2023 and included: (i) registration and refugee status determination, (ii) shelter and settlement, (iii) well-being through Core Relief Items (CRIs), and (iv) voluntary return and reintegration assistance.

The Representation faced two simultaneous emergencies in early 2023 following an influx of refugees from Sudan and Chad. The Representation's response was constrained by inadequate Government's structures and capacity, and challenges in accessing forcibly displaced persons who were in remote areas with minimal actors and services. The Representation also did not establish adequate controls for planning, management and monitoring of the shelter, well-being and returns and reintegration programmes, which affected effective mandate implementation in key strategic areas and the delivery of quality services.

OIOS made eight important recommendations. To address issues identified in the audit, UNHCR Representation in CAR needed to:

- Ensure protection of forcibly displaced persons by (a) building the Government's capacity to conduct registration and refugee status determination; (b) implementing a plan to register all refugees and asylum seekers in hard-to-reach areas; and (c) addressing related backlogs.
- Conduct a comprehensive population verification exercise and enhance monitoring over implementing partners' administrative and financial processes.
- Review its strategy and standard operating procedures to strengthen its planning, design and implementation of the shelter programme.
- Strengthen the monitoring of the shelter programme implementation to ensure that best value is obtained; and initiate recovery of funds related to shelters that were not delivered.
- Ensure that CRIs reach intended beneficiaries by strengthening the selection of beneficiaries, planning, distribution and accountability for CRIs; and appoint a focal point to oversee the processes.
- Integrate supplies maintained in warehouses managed offline into Cloud ERP.
- Institute measures to address identified gaps managing the return and reintegration process, particularly the cash grant component.
- Strengthen the monitoring of implementation of the returns and reintegration programme.

UNHCR accepted all 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	2
III. AUDIT RESULTS	2-12
A. Registration and refugee status determination	2-4
B. Shelter and settlement	4-8
C. Well-being through Core Relief Items	8-10
D. Voluntary return and reintegration assistance	10-12
IV. ACKNOWLEDGEMENT	12
ANNEX I	Status of audit recommendations
APPENDIX I	Management response

# Audit of operations in Central African Republic for the Office of the United Nations High Commissioner for Refugees

## I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of operations in Central African Republic (CAR) for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The UNHCR Representation in CAR (hereinafter referred to as ‘the Representation’) was established in 1986 to provide refugees, asylum seekers and other forcibly displaced persons with international protection, humanitarian assistance and durable solutions. The Government of CAR was a signatory to the 1951 Geneva Convention, the 1967 Protocol relating to the Status of Refugees, and the 1969 OAU Convention Governing the Specific Aspects of Refugee Problems in Africa and the 2009 Kampala Convention.
3. CAR was host to 644,510 forcibly displaced persons as of December 2023, comprising of three population types, i.e., 543,819 internally displaced persons (IDPs), 36,691 refugee returnees that had been returning from exile since 2018, and 64,000 refugees and asylum seekers originating mostly from Sudan, Chad, and South Sudan.
4. The Representation was headed by a Representative at the D-1 level who reported to the Director of the Regional Bureau of West and Central Africa region. As at 31 December 2023, the Representation had 268 staff members (59 international and 200 national staff, and nine affiliate workforce). The Representation had: (i) a Country Office in Bangui; (ii) four field-Offices in Berberati, Kaga-Bandoro, Birao, and Paoua; (iii) three field units in Bria, Obo, and Mongoumba; and (iv) one sub-office in Bouar. The 2022 and 2023 operating budgets were \$12 million and \$20 million as reflected in Table 1 below, with approximately 56 per cent and 67 per cent implemented through partners, respectively, and the remainder through direct implementation.

**Table 1: Main programme expenditure in 2022 and 2023**

Programme areas	US\$ (in Millions)	
	2022	2023
Support	1.91	5.09
Access to territory, status determination and documentation	0.22	3.54
Return	3.38	3.99
Policy/Law	0.04	0.00
GBV	0.97	1.04
Community	2.20	0.98
Well-being (including CRIs)	0.86	5.87
Local integration and solutions	1.74	-
Education	0.29	-
Healthy lives	0.16	-
Sustainable housing and settlement	0.01	-
External engagement & resources	0.02	-
<b>Total</b>	<b>11.88</b>	<b>20.51</b>

5. UNHCR relies on its corporate systems for managing its operations including the supply chain. These systems include: (i) Workday for human resources; (ii) COMPASS for strategic planning, budgeting, monitoring, and reporting; (iii) MSRP and Cloud ERP for financial reporting and supply chain management; and (iv) ProGres, UNHCR’s corporate registration, identity and case management system.

OIOS obtained and reviewed data from these systems for completeness and accuracy and assess controls effectiveness.

6. Comments provided by UNHCR are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

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

8. This audit was included in the 2024 risk-based work plan of OIOS due to the risks related to complexity of the operations caused by insecurity in CAR and the influx of refugees from neighboring countries in 2023.

9. OIOS conducted this audit from May to September 2024. The audit covered the period from January 2022 to December 2023. Based on an activity-level risk assessment, the audit covered higher and medium risks areas, including: (i) registration and refugee status determination (RSD), (ii) shelter and settlement; (iii) well-being through Core Relief Items (CRIs); and (iv) voluntary return and reintegration assistance.

10. The audit methodology included: (i) interviews with key personnel, (ii) reviews of relevant documentation, (iii) analytical review of data, including financial data from the Managing for Systems, Resources and People (MSRP) and Cloud ERP, the UNHCR enterprise resource planning systems, COMPASS, and ProGres, UNHCR's corporate registration, identity and case management system and (iv) judgmental and random sampling testing partner implementation projects including shelter, CRI, cash grant for returnees, expenditures and registration data , and (v) field visits to Korsi and Betoko.

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

## **III. AUDIT RESULTS**

### **A. Registration and refugee status determination**

#### Need to reinforce the partner's capacity to deliver registration and RSD services

12. The Representation conducted registration alongside the government partner across eleven locations hosting refugees and asylum seekers. The Representation's expenditure on programme activities in 2022 totaled \$210,566 and this increased in 2023 to \$3.5 million to respond to the influx of Sudanese refugees.

(a) Challenges in executing registration activities

13. In 2023, registration activities rose significantly due to a surge in new refugee arrivals, but was negatively affected by several factors:

- The Representation reached only 38 per cent of its 100 per cent individual registration target. This impacted some 60,000 Chadian and Sudanese refugees who were dispersed across remote localities and thus could not be reached due to security, logistical, and access issues. Their full registration

was also impacted by funding constraints and asylum seekers' reluctance to travel from border areas to Betoko and Korsi where related processes were being conducted. Thus, only 5,493 refugees had completed biometric registration by the end of 2023.

- The government partner also refused to register refugees that did not have identity cards as well as some Sudanese refugees on the basis of appearance, a method that was subjective and prone to error. During the field visit, the audit noted that many individuals, including women and children, who had been denied registration had no recourse and were waiting near the registration site for over two weeks.
- The numbers of translators in Korsi to assist Sudanese refugees during registration process was also inadequate. Additionally, information materials in the registration area were primarily posted in French, despite many refugees being Arabic speakers and/or illiterate. Government staff were noted to be hostile towards refugees, which indicated the need for training.

14. The Representation did not have a plan to address the challenges above including full registration for Chadian and Sudanese refugees in these hard-to-reach areas.

(b) Need for capacity building of partner staff to improve refugee status determination process

15. The Government granted prima facie recognition for refugees from Chad and Sudan as well as those from Congo, South Sudan, and Rwanda who came to CAR under exceptional circumstances. All other nationalities had to go through the RSD process, which was centralized in Bangui. RSD was managed by the government partner, with the Representation only in attendance as an observer.

16. During the period under review, 325 RSD decisions were reached out of the targeted 500 applicants; 18 per cent of which were rejections. Further, the average processing time from registration to first instance asylum decision was 180 days against a target of 90 days in the period under audit. Thus, there were 580 cases pending review and 77 cases before the Appeals Commission at the time of the audit. The 2022 annual results report also highlighted issues regarding the quality of RSD analyses and drafting of cases which inadvertently impacted the decisions reached. The shortfall in performance and weaknesses in the quality of RSD decisions was attributed to gaps in the Government staff's capacity.

17. The Representation identified the need to strengthen the government partner's: (i) leadership in managing the national asylum system; (ii) enhancing partners capacity to conduct registration, translation, research and interviews; and (iii) support to lesbian, gay, bisexual, and transgender persons to access fair RSD processes in line with international and regional standards. However, the Representation:

- Did not have a formalized training plan to address identified capacity gaps and therefore related activities were conducted in an ad hoc manner. For instance, it conducted five training courses on the use of ProGres and not in other areas with well-known gaps such as registration and RSD.
- Had not conducted needs assessments nor evaluated the effectiveness of past activities to inform the development of a comprehensive capacity building plan.
- Was not meeting set training targets. For instance, it only trained 26 out of the targeted 1,000 government officials each year. Even then, the Representation did not have documentation to evidence that the training of 26 staff happened.

18. These weaknesses impacted displaced persons' access to registration and RSD services, which if unaddressed will impact displaced persons' protection as well as their access to services.

**(1) The UNHCR Representation in Central African Republic should: (a) build the Government’s capacity to conduct registration and refugee status determination; (b) implement a plan to register all refugees and asylum seekers in hard-to-reach areas; and (c) address related backlogs.**

*UNHCR accepted recommendation 1 and stated that the Representation will: (a) conduct a needs assessment and develop a capacity-building plan to build the Government capacity; (b) update the registration plan to ensure coverage of all refugees and asylum seekers; and (c) develop a plan to address all backlogs.*

#### Need to ensure reliable data and reinforce monitoring of partners expenditures

19. During the audit period, the Representation had not conducted a population verification exercise, which is essential for effective programme design and planning. This need was further underscored by the lack of continuous registration to ensure that the records in ProGres remained accurate. The audit also identified discrepancies in the data reported in different documents. For example, the annual results report noted that there were 53,601 registered refugees and asylum seekers, while ProGres data recorded only 12,503. Additionally, the December 2023 CAR Operation Update listed 2,692 Sudanese refugees at Korsi, whereas proGres reported 3,564. These discrepancies remained unexplained at the time of the audit.

20. The audit reviewed 27 vouchers with expenditure totaling 40 million XAF (\$65,800) incurred by the government partner that conducted protection monitoring and registration. The partner did not provide documentation for the selected vouchers totaling 37.4 million (\$61,600). From the documentation provided, the audit noted the following, which indicated gaps in the Representation’s monitoring over programmes implemented by the government partner:

- expenditure unrelated to the programme, i.e., for a visa penalty processing fee of 200,000 XAF (\$330) and real estate agent fees of 1.6 million XAF (\$2,600);
- hiring of community mobilizers without adhering to required human rights due diligence procedures;
- gaps in procurement processes arising from unclear evaluation criteria; and
- paying community mobilizers the same incentive fee despite variations in hours worked.

**(2) The UNHCR Representation in Central African Republic should: (a) conduct a comprehensive population verification exercise; and (b) enhance monitoring of implementing partners' administrative and financial processes.**

*UNHCR accepted recommendation 2 and stated that the Representation will (i) update its registration plan to include a comprehensive population verification exercise; and (ii) conduct capacity assessment of funded partners followed by periodic financial verifications based on the project monitoring plan.*

## **B. Shelter and settlements**

#### Need to strengthen the planning, monitoring and delivery of the shelter programme

21. The Representation spent \$1.95 million on the shelter programme in the period under audit, with 59, 20 and 21 per cent spent on refugees and asylum seekers, IDPs and returnees, respectively. The Representation implemented the shelter programme directly and through partners.

(a) Lack of an up-to-date strategy to direct programme activities

22. The Representation did not have a strategy to direct the implementation of shelter and settlement programme activities within available resources for refugees and asylum seekers. It however had a cluster shelter strategy (2024) for IDPs developed under the humanitarian coordination system which:

- had not been translated into a work plan detailing the specific actions the Representation needed to implement as an implementer of last resort;
- lacked details on the progressive transition from the provision of emergency to more permanent shelters;
- did not have designs that reflected the different family sizes; and
- lacked mechanisms for tracking progress of the shelter implementation.

23. Further, the Representation did not consistently conduct participatory assessments to support the identification of needs and inform shelter programme planning and design for effectiveness. Where conducted, the assessments only covered refugees and asylum seekers that arrived from Sudan and Chad in 2023. The Representation relied on the Humanitarian Needs Overview (HNO) report, which did not cover refugees and asylum seekers living in CAR's 14 regions and recommended that more detailed needs assessments be conducted for refugees and asylum seekers in these areas.

24. In addition, while an SOP was in place to provide guidance on the selection of IDP beneficiaries, the Representation lacked one for the shelter programme for refugees. Thus, except for the Sudanese and Chadians refugees, there was no guidance on how beneficiaries were selected and more importantly, the targeting of the most vulnerable refugees and asylum seekers. Also, there were no standards to guide the construction of shelters and consequently, 326 emergency shelters in Korsi were not built according to standards, resulting in value for money not being realized.

25. The Representation also did not ensure that there was proper coordination between the shelter and other related sectors (such as the water, sanitation and hygiene sector) when developing its strategic plans. This impacted the living conditions for displaced persons and contributed to health and safety hazards as illustrated below.

- The failure to adhere to the ratio of 375 latrines/1,500 household resulted in latrine shortages in Korsi, where only 287 latrines were constructed for 6,095 registered households and 21 households sharing one latrine stall. No semi-permanent latrines or showers were constructed in either site as planned, which the Representation attributed to a lack of funding.
- Provisions for garbage disposal were inadequate, with Betoko only having one garbage pit which was not fenced and was filled with rainwater. In Korsi, the two planned landfills were never constructed and therefore garbage was placed in makeshift pits and scattered across the sites.
- There was no evidence that feasibility studies were conducted on the camp's impact on the environment. Drainage trenches in Korsi meant for managing water flow were dysfunctional since they were filled with garbage. Both sites only provided 10 liters of water per person daily, which is half the required amount.

(b) Gaps in delivering the shelter programme

26. Despite shelter being a major concern for forcibly displaced persons, the Representation did not spend \$650,000 (25 per cent) of the available budget. For instance, although 6,095 households were



registered as needing shelter in Korsi as of July 2024, only 1,346 emergency shelters were constructed with the justification provided being inadequate funding. There were also delays of over six months in the delivery of the shelter response to Chadian refugees in Betoko which impacted refugees that lived in 53 surrounding villages near the border.

27. Apart from the 130 transitional shelters provided to IDPs in 2022, the Representation only supplied emergency shelters to forcibly displaced persons with plans to transition them to semi-durable shelters which did not materialize. By June 2024, only 120 of the planned 1,500 semi-durable shelters were under construction and no plans for further upgrades were in place in Betoko and in Korsi. Thus, displaced persons lived in emergency shelters beyond the prescribed six-month period, with most tarpaulins worn out due to the rains. Moreover, the Representation did not replace worn-out tarpaulins despite having 32,530 in the Bangui warehouse and another 110 tarpaulins purchased for the rehabilitation of poorly constructed shelters in Betoko at the time of the audit. This exposed forcibly displaced persons to health and safety risks.

28. Shelter designs did not consider the weather elements. For instance, shelters in Betoko lacked floor tarps to protect personal items during the rainy season and had inadequate ventilation, making them inhabitable during the hot season. The Representation stopped the distribution of floor tarps in Korsi once it was discovered that they were being sold in the local market. OIOS confirmed the presence of many UNHCR-branded tarpaulins in the market, which indicated the need for the Representation to explore alternative measures of ensuring protection of personal items in shelters.

29. The Representation led the Shelter and Core Relief Items cluster for IDPs. However, despite multiple reports highlighting sub-standard shelter conditions for IDPs, cluster meetings did not address strategies to resolve these issues. The 2023 CAR HNO report noted that shelter conditions fell short of SPHERE standards, with only three per cent of shelters reported as being in good condition and 82 active IDP sites noted to be overcrowded. Other related issues identified by the audit and through IDP mission reports included the following:

- 256 shelters in Bria were built too closely together due to land disputes, thereby compromising privacy and raising safety risks for women and girls and creating a risk of loss of life and extensive damage in the event of a fire. The latter was exacerbated by the lack of communal kitchens resulting in displaced persons cooking inside or near shelters with open flames.
- Security related issues were also noted arising from Korsi shelters having bamboo doors that could not be locked and the lack of street lighting, leaving the sites in darkness. Overgrown bushes resulted in reported incidences of snake bites.
- Shelters were not tailored to accommodate people with specific needs (PSN) nor were child-friendly spaces constructed, leaving 3,978 PSN and 10,274 children exposed to protection risks.

30. The audit also identified gaps in the Representation's monitoring of the implementation of the shelter programme:

- Only 66 and 40 per cent of the targets for shelter and access to latrines respectively were met across all population groups in the period under audit. Additionally, one of two shelter indicators did not have targets, and thus no related data was included in the final performance report.
- Reporting was also noted to be inconsistent across population groups and years, with targets set unrealistically high considering relatively low baselines and available resourcing. Consequently, reported results at the year-end either matched or were below the baseline, indicating ineffectiveness of the programme in creating the desired impact.

- The Representation did not have documentation to support the reported numbers in the Representation’s annual reports and the COMPASS system. There were also discrepancies noted between reported figures and actual outcomes, with shelter numbers not aligned with reported achievements.
- The reported results reported by the shelter partner in the annual report had also not been verified. For instance, the audit did not see the solar floodlights and community kitchens reported as having been installed in Betoko.

31. The weaknesses identified above led to forcibly displaced persons not having shelters that provided them with privacy, protection from the elements, emotional security and an adequate space to live as required by UNHCR policies. This increased their protection risks.

**(3) The UNHCR Representation in Central African Republic should review its strategy and standard operating procedures to strengthen its planning, design and implementation of the shelter programme to improve the living conditions of forcibly displaced persons.**

*UNHCR accepted recommendation 3 and stated that the Representation will update the existing shelter strategy and the standard operating procedures to guide its implementation.*

Need to ensure best value is obtained from investments in shelter programmes

32. The audit noted that only 492 of 1,150 emergency shelters in Betoko were occupied at the time of the audit. This was attributed to lack of funding to transport Chadian refugees from 53 villages to the newly constructed shelters in Betoko. The Representation later dismantled 256 units valued at 63 million XAF (\$103,700) and donated the resultant materials to community leaders for religious sites and a healthcare facility construction; however, no documentation was available to substantiate these donations. Some other unoccupied units were dismantled and stolen. This situation reflected inadequate project planning leading to wasting already scarce resources.

33. The Representation adopted standardized 12-square-meter shelters designed for four people, falling short of SPHERE standards, which require 3.5 square meters of living space per person, excluding cooking, bathing, and sanitation facilities. Thus, a family with an average size of eight members needed two shelters. However, the Representation lacked documentation on family sizes and shelter allocations, preventing the audit from verifying shelter distributions. The use of standardized shelters led to inefficiencies and inequities; for example, in Korsî, a 12-member household occupied four shelters instead of three, while several two-member households lived in shelters meant for four. In 2024, the Representation revised its design to a standardized two-room layout for all family sizes, which continues to pose risks of inefficiency.

34. Furthermore, OIOS noted several activities that did not represent best value for money, as follows:

- In its visits to Betoko and Korsî sites, the audit identified discrepancies between the number of shelters built and what was reported. While the partner received funding for 3,000 shelters in 2023, only 2,496 shelters were delivered, i.e., 1,150 in Betoko and 1,346 in Korsî. The difference of 504 shelters totaling 92 million XAF (\$151,500) remained unexplained and related funding needed to be recovered.
- 70 of the constructed shelters in Korsî were larger than the initial design, thereby increasing related costs by 3.5 million XAF (\$57,600), which could have been used to construct 23 additional shelters.

- OIOS also reviewed 14 procurements totaling 200 million XAF (\$330,000) and noted that controls in place were ineffective, thereby raising the risk that best value was not achieved. The main shelter partner did not:
  - apply clear evaluation criteria, which made it impossible to validate the selection process followed in identifying the winning bid;
  - issue clear bidding instruction, which resulted in inconsistencies in documentation submitted by potential bidders;
  - implement the two-envelope system for receiving and evaluating technical and financial bids, thereby compromising fairness, transparency, and objectivity in the procurement process;
  - have effective competition: three of the selections were through single sourcing, which was unjustified; and in four other cases, only two quotations were received instead of the required three; and
  - have documentation to evidence receipt of goods and services. The audit thus could not confirm if the best value had been obtained on these procurements.

**(4) The UNHCR Representation in Central African Republic should strengthen the monitoring of the implementation of the shelter programme to ensure that best value is received and initiate recovery of funds related to shelters that were not delivered.**

*UNHCR accepted recommendation 4 and stated that the shelter key performance indicators will be aligned with the country multiyear strategic plan (2024-2027) with annual targets recorded in COMPASS and which will be monitored through field visits. In addition, a review has been conducted to identify planned shelters that were not delivered, with the aim of recovering associated funds.*

### **C. Well-being through Core Relief Items**

#### Action needed to strengthen the distribution of CRIs

35. In 2022, the Representation spent \$175,372 on CRIs activities for IDPs and \$779,379 in 2023 for refugees. Despite a 25 per cent rise in CRIs needs in 2023, the Representation reached 43 per cent fewer IDPs and no returnees due to the need to respond to the influx of Sudanese and Chadian refugees.

(a) Limited guidance due to outdated CRIs SOPs

36. The Representation had CRI/shelter cluster strategy for IDPs which, as noted under the shelter section, had gaps that needed to be addressed to ensure its effectiveness. As was the case with the shelter, the Representation did not conduct comprehensive assessments to identify CRI needs for refugees. It relied on the HNO report to identify IDP needs and conducted needs assessments although limited to Chadians and Sudanese refugees in 2023. This impacted the effectiveness of the intervention in key areas such as determining the contents of CRIs kits to inform purchase decisions and so it meets the needs of displaced persons.

37. The Representation's 2023 SOP for CRIs did not have established criteria to support the identification of all beneficiaries and prioritization of persons with specific needs. Beneficiary selection and distribution of CRIs was left to partners without guidance and proper supervision by the Representation

to ensure effectiveness. Thus, while partners at Betoko and Korsi sites distributed CRIs to all registered refugees, the SOPs did not ensure equity by considering the different family sizes during distributions.

(b) Inadequate controls over distribution of CRIs

38. The Representation could not account for the CRIs reported as received and distributed because reconciliations were not prepared. For instance, the Birao office could not reconcile the items released to distribution lists and balances held by partners between May and June 2023. Also, the items reported as distributed in the partner's report could not be reconciled to what was released and to distribution lists. Reconciliations were important considering that more items had been released from the warehouse than was requested for distribution in Paoua in November 2023. Partners also did not return stock balances after distributions, nor account for or offset these from subsequent CRI requests. Stock balances were left in makeshift stores and were prone to theft and spoilage.

39. A review of controls over distribution of CRIs also revealed the following issues:

- All households received one CRI kit comprising two blankets, mats, and mosquito nets regardless of family size. The audit, however, noted that most households in Betoko had over eight members.
- The Representation did not prepare the required distribution plans to guide related activities in the period under audit. Regular distributions were not conducted; they happened in an ad-hoc manner, in response to emergencies/specific events such as floods. When distributions happened, details of the location, time, and items to be distributed were not communicated to beneficiaries.
- The Representation did not have evidence that CRIs reached intended beneficiaries as partner distribution reports, signed beneficiary listings and reconciliations were not consistently available.

40. The Representation also did not have output or outcome indicators against which CRI programme performance would be measured in the period under audit. The Representation did not conduct real-time monitoring to confirm that items reached intended beneficiaries. Only two post distribution monitoring exercises were conducted, and this was by partners and therefore not objective. Thus, the Representation did not have independent feedback on the adequacy and effectiveness (quality, sufficiency, and utilization) of CRIs in mitigating protection risks.

41. The issues above were attributed to the lack of a designated person to plan, manage and oversee the CRI programme. If unaddressed, the above weaknesses will affect the Representation's ability to reach intended beneficiaries with CRIs in a cost-effective.

**(5) The UNHCR Representation in Central African Republic should implement standard operating procedures to strengthen the selection of beneficiaries, distribution and accountability for core relief items, and appoint a manager/focal point to oversee the planning, management and distribution of CRIs.**

*UNHCR accepted recommendation 5 and stated that the Representation is taking action to: (i) update the standard operating procedures for CRI management; and (ii) establishing Terms of Reference for the appointed focal point for core relief items that include monitoring of CRIs distribution, reconciliation, and coordination with relevant sections in charge of planning and selection of beneficiaries.*

### Need to strengthen warehouse management

42. The Representation maintained seven warehouses. The audit could not assess whether this represented a reasonable number of warehouses since documentation and comprehensive data on the stock held in warehouses was lacking. However, after the audit, the Representation developed an action plan to improve warehouse and inventory management, including an assessment of reasonableness of the number of warehouses.

43. The audit noted that only four of the seven warehouses were recorded in MSRP/Cloud ERP in 2023, with the rest managed offline. The Representation did not have proper records and thus could not account for stock held in the offline-managed warehouses. It could only estimate the offline stock value in these warehouses to be \$257,000 at the end of 2023. This was because the tracking tool in use did not: (i) list the value of stock (rectified in 2024) nor (ii) maintain a record of stock movements during the audit period. The maintenance of stock in non-MSRP/ Cloud ERP stores meant that financial records were misstated and there was risk of loss without compensation since items in such warehouses were not insured.

44. The 2022 Country Financial Report from MSRP indicated that the Representation was holding expired stock totaling \$96,412 and \$1.3 million in potentially excess stock. The Representation did not have access to information on excess and/or expired stock held after Cloud ERP go live in 2023. Holding excess stock and allowing items to expire reflected operational inefficiencies as resources were tied up in stock and it also increased storage costs.

45. The audit visited three warehouses (two being offline-managed warehouses) and noted that they were well maintained, and no discrepancies were identified between physical counts and records for selected sample items. However, the Representation reported large discrepancies between its physical counts and stock records in 2022, 2023 and 2024 which were mostly caused by late Material Stock Requests (MSR)/Material Request Issue (MRIs) and late receipts or stock adjustment requests. Thus, UNHCR's Inventory Management Unit that oversaw stock management at the global level consistently gave the Representation low ratings for its management of stock. The Inventory Management Unit was addressing the discrepancies at the time of the audit.

**(6) The UNHCR Representation in Central African Republic should integrate supplies maintained in offline warehouses in Cloud ERP.**

*UNHCR accepted recommendation 6 and stated that the Representation is taking action to distribute or move supplies in offline warehouses to Cloud ERP-recorded warehouses.*

## **D. Voluntary return and reintegration assistance**

### Need to reinforce the planning, management and monitoring of the return and reintegration programme

46. With peace being restored to parts of CAR, the Representation received 36,691 returnees between 2018 and 2023, primarily from Cameroon and the DRC. The Representation spent \$3.4 and \$3.9 million mainly on return assistance programmes in 2022 and 2023, respectively. These programmes were implemented by UNHCR and through five partners.

47. The National Strategy for Durable Solutions for IDPs and refugee returnees (2023-2027) was established to direct the return and reintegration of displaced persons in CAR, thereby ensuring a more structured and sustainable approach to meeting their needs. The Representation's SOPs provided guidance on the voluntary return and reintegration process. The Representation's strategy could benefit from a

thorough assessment of returnees' needs. For instance, the strategy primarily focused on voluntary return with less emphasis given to activities that support the reintegration of returnees such as livelihoods, social cohesion, infrastructure rehabilitation, and long-term support.

48. The Representation provided cash grant packages to meet displaced persons immediate needs and support their travel to their hometowns for total amount of \$707,066 in 2023. The Representation could not explain how the rates paid were determined. Standardized cash grants were also paid regardless of the unique circumstances of displaced persons. For instance, small and large households received the same cash grant, i.e., 50,000 XAF (\$80) in lieu of CRIs and 10,000 XAF (\$15) for transportation allowance. Consideration was also not given to distance travelled and the number of returnees in the household when determining the transportation allowances. All returnees received the same amount whether they lived in Bangui or were traveling away.

49. The audit reviewed 14 returns with a total of 4,225 returnees out of 117 returns for 9,643 returnees in 2022 and 2023 and noted that the Representation did not conduct adequate oversight over the cash grant activity as evidenced by the following weakness:

- The Representation did not reconcile cash payments to returnees to the final manifest throughout the period under audit. It prepared reconciliations in 2024 but these reflected unexplained discrepancies between the payments and manifests.
- There was no documentation to evidence validation of the number of returnees in the final manifest prior to making payments. The Representation instead relied on the numbers reflected in the pre-manifest.
- There were no signed lists to evidence receipt of cash grants for six of the 14 returns sampled. Further, in three of eight returns provided, 69 individual returnees did not sign to confirm receipt of their cash grants. Also, two of the eight sampled returns had two missing pages, and the audit could not verify if the 194 returnees signed to evidence receipt of cash. Some signatures on the manifests were similar, raising concerns about their authenticity.

**(7) The UNHCR Representation in Central African Republic should institute measures to address identified gaps in planning and managing the return and reintegration process, particularly the management of the cash grant component.**

*UNHCR accepted recommendation 7 and stated that the Representation is in the process of: (i) implementing a five-year return and reintegration plan to help 300,000 refugees return and reintegrate into their communities; (ii) introducing the Global Distribution Tool to improve reporting and streamline reconciliations; (iii) updating SOPs on cash-based interventions to include the review and reconciliation process of cash grant distribution; (iv) taking the cash grant package to the National Group on Durable Solutions, led by the Ministry of Humanitarian Action, for analysis and update with full consideration of family size, age, and specific needs; and (v) preparing to conduct post distribution monitoring.*

Need to improve monitoring of programme performance

50. The audit reviewed the Representation's monitoring of the returns and reintegration process and identified the following:

- There were inconsistencies in the number of refugee returnees in different documents as of 31 December 2023. For instance, the dashboard recorded 4,031 returnees in CAR, the annual result

report listed 4,012 and the annual statistical review reported 4,325. These discrepancies undermined the reliability of the data, potentially leading to inaccurate resource allocation, confusion among stakeholders and reduced donor trust, and hindered effective decision-making.

- The Representation did not have results reported against key indicators related to returns and reintegration. For instance, the baseline for the proportion of returnees with legally recognized identity documents was 40 per cent, with a target of 80 per cent; however, no results were reported in 2022. In 2023, the baseline was lowered to 5 per cent and the target was set at 10 per cent but no results were reported.
- The Representation did not have results reported against two core indicators related to refugee returnees that received cash grants for livelihoods (target was 1,000) as well as for business (target was 3,000). This indicated that the performance indicators developed did not reflect planned programme activities.

51. The monitoring of the work of partners was also ineffective. The audit reviewed 22 partner expenses totaling 40 million XAF (\$65,000) in the period under audit. The partners were unable to provide supporting documentation for 19 out of 22 expenses totaling 31 million XAF (\$51,000). The audit also questioned the rationale of payments regarding court-awarded compensation to terminated partner staff totaling 5.8 million XAF (\$9,550). These issues had not been identified by the Representation's Programme Section during their monitoring and this indicated gaps in the effectiveness of this function. Further, the Representation did not conduct the required monitoring of partners such as partner performance evaluations in 2023.

52. The Representation conducted a post-monitoring report of the return and reintegration process in 2022 but did not conduct one in 2023, citing resource limitations. This was a missed opportunity to assess the effectiveness of the reintegration efforts and identify post-return needs for mitigation.

**(8) The UNHCR Representation in Central African Republic should strengthen the monitoring of the implementation of the returns and reintegration programme.**

*UNHCR accepted recommendation 8 and stated that the Representation will use the existing mechanism based on project monitoring plan as main tool to monitor the implementation of the returns and reintegration programme that include: (i) the alignment of result reports with the core indicators; (ii) reviewing and issuing a monthly dashboard; and (iii) reviewing and validating partners performance and financial reports.*

#### **IV. ACKNOWLEDGEMENT**

53. 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.

Internal Audit Division  
Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of operations in Central African Republic for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	The UNHCR Representation in Central African Republic should: (a) build the Government's capacity to conduct registration and refugee status determination; (b) implement a plan to register all refugees and asylum seekers in hard-to-reach areas; and (c) address related backlogs.	Important	O	Receipt of evidence of: (i) a needs assessment and capacity-building plan for building Government capacity; (ii) an updated registration plan for all refugees and asylum seekers; and (iii) a plan to address backlogs and progress report on number of cleared backlogs.	31 December 2025
2	The UNHCR Representation in Central African Republic should: (a) conduct a comprehensive population verification exercise; and (b) enhance monitoring of implementing partners' administrative and financial processes.	Important	O	Receipt of evidence of: (i) an updated registration plan that includes a comprehensive population verification exercise; and (ii) capacity assessment conducted on funded partners and a periodic financial verification conducted based on the project monitoring plan.	31 December 2025
3	The UNHCR Representation in Central African Republic should review its strategy and standard operating procedures to strengthen its planning, design and implementation of the shelter programme to improve the living conditions of forcibly displaced persons.	Important	O	Receipt of evidence of an update shelter strategy and the standard operating procedures to guide planning, design and implementation of the shelter programme.	30 June 2025
4	The UNHCR Representation in Central African Republic should strengthen the monitoring of the implementation of the shelter programme to ensure that best value is received and initiate recovery of funds related to shelters that were not delivered.	Important	O	Receipt of evidence of: (i) shelter key performance indicators aligned with the 2024–2027 country strategic plan, including annual targets recorded in COMPASS; (ii) field monitoring reports covering all shelter projects from start to finish; and (iii) a status report on the review conducted to identify planned shelters that	30 June 2025

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Please note the value C denotes closed recommendations whereas O refers to open recommendations.

<sup>4</sup> Date provided by UNHCR in response to recommendations. [Insert "Implemented" where recommendation is closed; (implementation date) given by the client.]



## STATUS OF AUDIT RECOMMENDATIONS

## Audit of operations in Central African Republic for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
				were not delivered and documentation of any associated funds that were recovered.	
5	The UNHCR Representation in Central African Republic should implement standard operating procedures to strengthen the selection of beneficiaries, distribution and accountability for core relief items; and appoint a manager/focal point to oversee the planning, management and distribution of CRIs.	Important	O	Receipt of evidence of: (i) an updated standard operating procedure for CRI management; and (ii) Terms of Reference provided to the appointed focal point for core relief items.	31 March 2025
6	The UNHCR Representation in Central African Republic should integrate supplies maintained in offline warehouses in Cloud ERP.	Important	O	Receipt of evidence of integration of stock held in offline warehouses into those recorded in Cloud ERP.	31 March 2025
7	The UNHCR Representation in Central African Republic should institute measures to address identified gaps in planning, and managing the return and reintegration process, in particular the management of the cash grant component.	Important	O	Receipt of evidence of: (i) the progress report of implemented programmes from the five-year return and reintegration plan to help 300,000 refugees return and reintegrate into their communities; (ii) roll out of the Global Distribution Tool to improve reporting and streamline reconciliations; (iii) updated SOPs on cash-based interventions that; (iv) the assessed and adjusted cash grant rate for NFIs and transportation considering family size and distance traveled; and (v) post distribution monitoring reports.	30 June 2025
8	The UNHCR Representation in Central African Republic should strengthen the monitoring of the implementation of the returns and reintegration programme.	Important	O	Receipt of evidence of project monitoring report that includes: (i) the alignment of result reports with the core indicators; (ii) monthly dashboards; and (iii) partners performance and financial reports.	31 July 2025

# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of operations in Central African Republic for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
1	The UNHCR Representation in Central African Republic should: (a) build the Government's capacity to conduct registration and refugee status determination; (b) implement a plan to register all refugees and asylum seekers in hard-to-reach areas; and (c) address related backlogs.	Important	Yes	Senior Protection Officer	31 December 2025	<p>(i) To build the Government's capacity,</p> <ul style="list-style-type: none"> <li>• The operation is already working on need assessment in terms of Government's capacity building.</li> <li>• Then, a capacity building plan will be developed by January 2025</li> <li>• The developed plan will be implemented throughout the year 2025.</li> </ul> <p>(ii) A registration plan is being updated to cover all refugees and asylum seekers.</p> <p>(iii) Similarly, a plan will be developed together with the partner Commission National pour les Refugees, to address all backlogs during 2025.</p> <p>Advocacy and capacity building for the transfer of powers to the Government.</p>
2	The UNHCR Representation in Central African Republic should: (a) conduct a comprehensive population verification exercise; and (b) enhance monitoring of	Important	Yes	Senior Protection Officer	31 December 2025	<p>(i) The registration plan cited above will include a comprehensive population verification exercise as well.</p>

<sup>5</sup> 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.

<sup>6</sup> 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 <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
	implementing partners' administrative and financial processes.			Project Control Officer		An internal capacity assessment of funded partners will be conducted by March 2025 followed by periodic financial verifications based on the project monitoring plan. The regional bureau will also provide the necessary support through monitoring missions.
3	The UNHCR Representation in Central African Republic should review its strategy and standard operating procedures to strengthen its planning, design and implementation of the shelter programme to improve the living conditions of forcibly displaced persons.	Important	Yes	Senior Programme Officer	30 June 2025	<p>A shelter strategy for the operation is being updated along with the standard operating procedures to guide its implementation. These documents will be finalized by February 2025. CAR multi-year strategy Results Framework includes an impact statement. <i>By 2027, Forcibly Displaced Persons, Persons at risk of Statelessness and Host Communities safely realize their basic rights, they live in dignity and improve their wellbeing.</i> It captures the need for sustainable shelter to promote access to adequate shelter and improve living spaces for the Forcibly Displaced.</p> <p>Outcomes statements are linked to Outcome area 09 (housing) with outputs linked to pillars 1 and 2 on access to adequate shelter and improve living spaces for the forcibly displaced.</p>
4	The UNHCR Representation in Central African Republic should strengthen the monitoring of the implementation of the shelter programme to ensure that best value is received and initiate recovery of funds related to shelters that were not delivered.	Important	Yes	Senior Programme Officer	30 June 2025	<ul style="list-style-type: none"> <li>The shelter key performance indicators will be aligned with the country multiyear strategic plan (2024-2027) with annual targets recorded in COMPASS</li> </ul>

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>and which will be monitored through field visits.</p> <ul style="list-style-type: none"> <li>A double check has been undertaken to verify the possible planned shelters that were not delivered in order to recover related funds if any.</li> </ul> <p>CAR multi-year strategy had a complete monitoring and evaluation plan including relevant indicators (good practice, user defined) for each Outcome and output. These will ensure monitoring the implementation progress of all the activities including shelter.</p>
5	The UNHCR Representation in Central African Republic should implement standard operating procedures to strengthen the selection of beneficiaries, distribution and accountability for core relief items; and appoint a manager/focal point to oversee the planning, management and distribution of CRIs.	Important	Yes	Senior Programme Officer	31 March 2025	<ul style="list-style-type: none"> <li>A focal point / CRIs Manager has already been appointed. The Terms of Reference of the assignments include monitoring of CRIs distribution and reconciliation. He will liaise with relevant sections in charge of planning and selection of beneficiaries.</li> <li>The operation undertook the process of updating the current SOPs for CRIs to include the composition of CRIs kits to be distributed, roles and responsibilities, updated list of existing warehouses, replace MSRP with Cloud ERP etc.</li> </ul>
6	The UNHCR Representation in Central African Republic should integrate supplies maintained in offline warehouses in Cloud ERP.	Important	Yes	Senior Supply officer	31 March 2025	Supplies currently maintained in offline warehouses will be either distributed or moved to warehouses

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						recorded in cloud ERP by March 2025.
7	The UNHCR Representation in Central African Republic should institute measures to address identified gaps in planning, and managing the return and reintegration process, in particular the management of the cash grant component.	Important	Yes	Senior Durable Solutions Officer	30 June 2025	<p>Considering that the mechanism of coordination of return and reintegration process is in place (Ref: attached 5-year Return and reintegration plan (“APPUI AU RETOUR ET AUX SOLUTIONS”) and SOPs), the operation requests this recommendation to be revised.</p> <p>Indeed, from 2024:</p> <ul style="list-style-type: none"> <li>➤ The operation set up the return and reintegration process as follows: <ul style="list-style-type: none"> <li>• Organizing convoys in coordination with asylum countries and (Central African Republic (CAR) government.</li> <li>• Organizing transportation to areas of origin of returnees in CAR;</li> <li>• A broader framework of the National Durable Solutions Strategy that includes engaging development efforts in return areas, reinforcing services through community infrastructure and government structures for access to rights and the empowerment and enhanced self-reliance of refugees prior to return.</li> </ul> </li> </ul> <p>A five-year return &amp; reintegration plan has been developed targeting 300,000 refugees to facilitate their</p>

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>return and community reintegration. The plan is being implemented. The National Strategy on Durable Solutions was developed in 2019 by the authorities with the support of the UN system including UNHCR. This document has been updated recently based on different consultations lead by the authorities, key line ministries and the UN system most importantly the co-lead on durable solutions: UNDP, UNHCR, IOM and OCHA. Furthermore, consultations are being held to determine the cost of the strategy. The reintegration process will certainly require a need assessment to identify the pocket of hope in CAR where reintegration projects could be implemented.</p> <ul style="list-style-type: none"> <li>➤ Planned actions to improve the provision cash grant: <ul style="list-style-type: none"> <li>• Review of SOPs on cash-based interventions (CBIs) to include the review of distribution list by Project control before representative approval and a second review of reconciliation after distribution.</li> <li>• Include into the SOP the mandatory presence of UNHCR staff during cash distribution for confirmation of the presence of returnees indicated on the manifest.</li> <li>• The package composition and amount provided in cash grant</li> </ul> </li> </ul>

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>will be taken to the National Group on Durable Solutions lead by them Ministry of Humanitarian Action, Reconciliation and National Solidarity for analysis and update with full consideration of the following: family size, age, specific needs (hygiene kits for female), etc.</p> <ul style="list-style-type: none"> <li>• In addition, the operation is planning to roll-out the Global Distribution Tool (GDT) by June 2025 with two pilot sites. The GDT will enhance the operation reporting ability, with streamlined reconciliation.</li> <li>• Very importantly the PDM will be included in the Voluntary Repatriation calendar. The first PDM to be conducted by March 2025</li> </ul>
8	The UNHCR Representation in Central African Republic should strengthen the monitoring of the implementation of the returns and reintegration programme.	Important	Yes	Senior Protection Officer	31 July 2025	<p>The operation will use the existing mechanism based on project monitoring plan as main tool to monitor the implementation of the returns and reintegration programme.</p> <p>The main actions will be:</p> <ul style="list-style-type: none"> <li>• Alignment of result reports with the core indicators.</li> <li>• The dashboard will be reviewed and issued on a monthly basis and will feed the annual results report to improve information on the return of IDPs.</li> </ul>



Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<ul style="list-style-type: none"> <li>Review and validation of both partners performance and financial reports.</li> </ul>