



Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT 2013/086

Audit of United Nations High Commissioner for Refugees (UNHCR) operations in the Democratic Republic of Congo

**Overall results relating to the effective
management of UNHCR operations in the
Democratic Republic of Congo were initially
assessed as partially satisfactory.
Implementation of seven important
recommendations remains in progress.**

**FINAL OVERALL RATING: PARTIALLY
SATISFACTORY**

**31 October 2013
Assignment No. AR2012/110/03**

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AUDIT REPORT

United Nations High Commissioner for Refugees Operations in the Democratic Republic of Congo

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations High Commissioner for Refugees (UNHCR) Representation responsible for the management of the operations in the Democratic Republic of Congo (hereafter referred to as ‘the Representation’)..
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. The Representation was opened in 1975 to assist refugees, returnees, Internally Displaced Persons (IDPs) and other persons of concern with international protection and humanitarian assistance. In 2012, the Representation hosted 2.8 million persons of concern comprising 2.6 million IDPs, the rest being refugees and returnees. The Representation worked with 30 implementing partners in 2012 and 35 in 2011.
4. The operations expenditure for the Representation increased from \$69.2 million in 2011 to \$76.2 million in 2012; and the budget for 2013 was approximately \$196.6 million. This was attributed to increased budget allocations to Pillars I (refugees) and IV (IDPs) arising from a breakout of violence in the east of the country which led to over 2.2 million people being displaced. At the same time, over 15,000 refugees from the DRC returned home from the Republic of Congo, Burundi and other neighboring countries. As at January 2013, the operation had 348 staff, which included 64 international staff, 246 national staff and 38 United Nations Volunteers.
5. Comments provided by the Representation are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of the Representation’s governance, risk management and control processes in providing reasonable assurance regarding the **effective management of UNHCR operations in the Democratic Republic of Congo**.
7. This audit was included in OIOS’ 2012 risk-based annual work plan due to various risks including those presented by the increase in expenditure from \$69.2 million in 2011 to \$76.2 million in 2012.
8. The key controls tested for the audit were project management, and regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:
 - (a) **Project management** - controls that are designed to provide reasonable assurance that there is accurate and complete monitoring and reporting of the Representation’s project activities, and project activities have been carried out in compliance with UNHCR policies and procedures.

(b) **Regulatory framework** - controls that provide reasonable assurance that controls that provide reasonable assurance that management of the warehouse, vendors, fuel, financial and procurement policies and procedures are adequate and effective.

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

10. OIOS conducted the audit from September 2012 to January 2013. The audit covered the period from 1 January 2011 to 31 January 2013.

11. The audit team conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness. OIOS interviewed UNHCR staff in the Branch Office in Kinshasa and the sub-office in Lubumbashi; reviewed policies, guidelines, procedures and other relevant documents; and reviewed data available in the Managing for Systems, Resources and People (MSRP) system.

III. AUDIT RESULTS

12. The Representation governance, risk management and control processes examined were initially assessed as **partially satisfactory** in providing reasonable assurance regarding **the effective management of UNHCR operations in the Democratic Republic of Congo**. OIOS made seven recommendations to address issues identified in the audit.

13. Controls over project management were assessed as partially satisfactory because the Representation needed to: (a) put in place local procedures to guide staff how to apply UNHCR rules on selection/retention of implementing partners; and, (b) reassess the resource allocation for refugees and IDPs to ensure their living conditions achieve over time the minimum recommended standards.

14. Controls over regulatory framework were assessed as partially satisfactory because the Representation needed to: (a) update stock records and strengthen controls on warehouse management including training staff and conducting periodic monitoring checks; (b) develop a vendor registration database, implement vendor vetting procedures, establish a vendor review committee and schedule related training for staff; (c) put in place procedures to ensure that the procurement section was trained and aggregate procurement values were monitored; (d) use the fuel management system currently utilized in Kinshasa for all offices in the Representation; and, (e) ensure that outstanding open items are closed as soon as possible.

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

Table 1
Assessment of key controls

| Business objective | Key controls | Control objectives | | | |
|--|--------------------------|------------------------------------|--|------------------------|---|
| | | Efficient and effective operations | Accurate financial and operational reporting | Safeguarding of assets | Compliance with mandates, regulations and rules |
| Effective management of UNHCR operations in the Democratic Republic of Congo | (a) Project management | Partially satisfactory | Partially satisfactory | Partially satisfactory | Partially satisfactory |
| | (b) Regulatory framework | Partially satisfactory | Partially satisfactory | Partially Satisfactory | Partially satisfactory |
| FINAL OVERALL RATING: PARTIALLY SATISFACTORY | | | | | |

A. Project management

Actions underway to implement local procedures to monitor and improve the selection and retention of implementing partners

16. The Representation did not conduct selection and retention of implementing partners in accordance with UNHCR rules. It had not established a selection committee for evaluating the seven implementing partners selected in 2011. The selection committee that the Representation established in 2012 did not evaluate implementing partners using the required checklist. Consequently, the Representation could not demonstrate the suitability of the implementing partners to the extent required by UNHCR rules. The above weaknesses were attributed to the absence of local procedures to monitor and ensure staff complied with UNHCR rules on selection and retention of implementing partners.

(1) The UNHCR Representation in the Democratic Republic of Congo should put in place local procedures to monitor and ensure that selection and retention of implementing partners is carried out in compliance with the rules.

The UNHCR Representation in the Democratic Republic of Congo accepted recommendation 1 and stated that the Implementing Partner Management Committee for 2013 was in place and would operate in compliance with the UNHCR instructions and procedures for the selection and retention of implementing partners. The composition of the committee was shared with OIOS and selections for 2014 were scheduled to be completed by 31 October 2013. OIOS acknowledges the progress made in implementation. Recommendation 1 remains open pending receipt of evidence that selection of implementing partners for 2014 is done in accordance with UNHCR rules.

Action underway to re-assess the resource allocation for refugees and internally displaced persons

17. There were an estimated 181,000 refugees and refugee returnees in the DRC living in refugee settlements in Kinshasa and Bongo. Due to resource constraints, the Representation did not meet the UNHCR camp performance targets for these refugees in the areas of protection, health, community services/development, and shelter/physical planning as indicated in the examples in Table 2.

Table 2

2011 Kinshasa Camp Indicators

| Reference | Indicator Description: | Actual | Standard |
|-----------|---|--------|----------|
| 8-CMP | Percentage of refugees and asylum-seekers registered individually. | 31% | 100% |
| 9-CMP | Percentage of adult refugees and asylum-seekers issued individual identity documentation. | 61% | 100% |
| 10-CMP | Percentage of newborns issued a birth certificate. | 35% | 100% |
| 12-CMP | Percentage of persons ≥ 18 years old with disabilities with specific needs assisted. | 61% | 100% |
| 26-CMP | Percentage of female members in camp management committees. | 35% | 50% |
| 52-CMP | Average camp area per person (square meters.) | 1 | >45 |
| 53-CMP | Percentage of households with adequate dwellings. | 90% | 100% |

18. The Representation had not established the required quantitative performance indicators to measure, monitor and evaluate overall conditions of the 2.9 million IDPs and people in IDP-like situations in 2012. Examples of such indicators include the percentage of IDP households with adequate dwellings, the percentage of infant mortality rates amongst IDPs, and the number of vulnerable IDPs who have been assisted. The Representation had not done this because no resources had been allocated to carry out this work. The failure to establish the indicators meant that there was no objective measurement of IDP living conditions in the DRC.

(2) The UNHCR Representation in the Democratic Republic of Congo (DRC) should, in consultation with the Bureau for Africa, analyze the impact of the current funding constraints on the needs of refugees and internally displaced persons and re-estimate the funds required to address the identified gaps to achieve, over a period of time, minimum recommended conditions for these persons of concern.

The UNHCR Representation in the Democratic Republic of Congo accepted recommendation 2 and stated that funding constraints were shared with the Bureau and documents reflecting the gaps have been renewed during the Mid-Year Review and were transmitted to the headquarters. A validation mission from headquarters including the Deputy Director of the Regional Bureau for Africa, the Deputy Director of the Division of International Protection, the Senior Desk Officer for the DRC and the Department of Programme Support and Management (DPSM) was conducted from 30 August to 4 September 2013. The mission together with senior management of the DRC operation as well as field staff discussed a re-calibration of UNHCR's foot print in the DRC, that is focus on some strategic activities and limit its geographical distribution in order to enhance the impact of the implemented activities. The DRC operation is currently reviewing and re-adjusting its 2014 Country Operations Plan (COP) accordingly and is developing a 2014/15 strategy paper. While this will not entirely eliminate the funding gaps, it was expected that re-adjusting of the budget will narrow those gaps as much as possible. The exercise was completed by end of September 2013. OIOS acknowledges the progress made in implementation. Recommendation 2 remains open pending receipt of evidence that re-adjustment of the budget to narrow the gaps in funding, to help achieve minimum recommended conditions for persons of concern, was successfully completed.

B. Regulatory framework

Actions underway to strengthen management of the Lubumbashi warehouse

19. A visit to the Lubumbashi warehouse, which is one of the ten maintained by the Representation, revealed that a regular update of inventory records was not being undertaken as required by UNHCR rules. The non-compliance extended to failure to ensure systematic use of bin cards for all stock to guarantee that a third party could independently verify the quantity and movement of different stock categories. The audit team conducted a physical count for six, out of 20, categories of items. Of the 610 items the team counted, 123 were not in the records of the warehouse. There were no bin cards for plastic sheeting, fire extinguishers, and woolen blankets. Jerry cans, iron sheets, and woolen blankets also all lacked stock codes. These discrepancies meant that the Representation was not in a position to perform a reliable reconciliations of physical stock to inventory records. The cause for this situation was the lack of trained warehouse staff, and the absence of regular monitoring by Representation to ensure that the warehouse was managed in accordance with UNHCR rules.

(3) The UNHCR Representation in the Democratic Republic of Congo should update stock records, ensure all stock have bin cards affixed, and provide warehouse training to staff working in the Lubumbashi warehouse. This should be supported by periodic monitoring checks to ensure compliance with UNHCR rules.

The UNHCR Representation in the Democratic Republic of Congo (DRC) accepted recommendation 3 and stated that five warehouses Kinshasa, Bukavu, Dongo, Uvira and Zongo out of 14 warehouses in the DRC were verified with stock cards up-dated at 100 per cent by August 2013, while for the remaining nine warehouses, the same procedure was being applied in compliance with the updated instruction on physical verification on property plant and equipment issued in September 2013. Monthly reconciliation reports were sent to headquarters for June, July and August 2013. The Regional Supply Section (RSS) in Kinshasa monitors stock movements in all warehouses in the region on a monthly basis and warehouses in Equateur on weekly basis in view of the fast moving stocks and relevant documentation is sent by field offices. The RSS also monitors the implementation of discrepancies registered in the Justification of Inventory Discrepancies Report. By end of August, 21 out of 30 Supply staff in the DRC have completed the on line International Public Sector Accounting Standards (IPSAS) modules on Property, Plant and Equipment and inventories. A workshop/training on Inventory Management for all inventory focal points, senior Supply Staff and implementing partner staff directly involved in the warehouse management was scheduled to be held in October 2013 conducted by the Global Learning Centre. The recommendation would be fully implemented by 31 December 2013. OIOS acknowledges the actions taken so far. Recommendation 3 remains open pending receipt of evidence that stock records for the remaining nine warehouses have been successfully updated and supply staff have completed inventory training.

Actions underway to strengthen controls over management of vendors

20. There was no vendor review committee set up in the Representation and vendor vetting procedures had not been implemented as required by the rules. There were no vendor files for the 935 vendors recorded in MSRP. There were also 11 duplicate vendors in the MSRP vendors list. This occurred because staff members were not conversant with UNHCR procurement rules and procedures and did not understand their roles. The Representation could not therefore demonstrate that appropriate vendors had been selected to ensure best value procurement for UNHCR.

(4) The UNHCR Representation in the Democratic Republic of Congo should develop a vendor registration database, implement vendor vetting procedures, establish a vendor review committee and schedule training for staff on roles and responsibilities in vendor management.

The UNHCR Representation in the Democratic Republic of Congo accepted recommendation 4 and

stated that by end of August 2013, the vendor registration database contained information on 1245 vendors, which were used as of 2007. The Vendor Registration Committee had its first session of 2013 on 18 September 2013 and a plan of action was established. The training for staff on roles and responsibilities in vendor management was scheduled to be held in November 2013. A Vendor Conference for the local vendors was also planned for December 2013. The recommendation would be fully implemented by 31 December 2013. OIOS acknowledges the progress made in implementation. Recommendation 4 remains open pending receipt of evidence that staff training on roles and responsibilities in vendor management has been successfully completed.

Need to strengthen controls to ensure that contracts over \$20,000 are presented to the Local Committee on Contracts

21. OIOS reviewed 23 of the 44 contracts issued during the audit period and noted that 14 vendors, whose combined contracts totaled more than \$20,000 per year, were not presented to the Local Committee on Contracts (LCC) as required. This was due to lack of adequate monitoring, and procurement staff members not being conversant with UNHCR procurement rules and procedures.

(5) The UNHCR Representation in the Democratic Republic of Congo should put in place procedures to ensure that the procurement section is trained, and procurement is monitored to ensure that all contracts over \$20,000, including those from the same supplier that reach an aggregated amount of \$20,000 over 12 months, are presented for review to the Local Contracts Committee.

The UNHCR Representation in the Democratic Republic of Congo accepted recommendation 5 and stated that the Regional Supply Section (RSS) was planning to conduct training on internal supply chain in October 2013. The implementation of this recommendation would be completed by 31 December 2013. The RSS was monitoring purchase contracts over \$20,000, including aggregated amounts reaching a total of \$20,000 and would ensure that all related purchases are presented to the Local or Regional Committee on Contracts. Recommendation 5 remains open pending receipt of evidence that training on internal supply chain for procurement staff scheduled for October 2013 has been successfully completed and purchase contracts over \$20,000 both individual and aggregated amounts are monitored.

Actions underway to implement a fuel management system and to report on fuel consumption at the country level

22. The Representation did not follow UNHCR procedures for the fuel it purchased in 2011 and 2012 amounting to \$2.9 million. It did not maintain reports that had the following information for each vehicle in the country: issued fuel quantity, mileage, date, average consumption, and ticket number in the sub and field offices in the Democratic Republic of Congo. Consequently the Representation did not have a consolidated report for fuel consumption at the country level. In addition, the fuel manager in Kinshasa was not aware of any fuel management functions being performed in the other sub or field offices and none of the field offices had sent the fuel manager any fuel consumption reports. Furthermore, the Supply Unit at the Branch Office had difficulties getting reliable and accurate fuel consumption reports from the sub and field offices. The reason for these control weaknesses was that it was only the Branch Office in Kinshasa which had used the fuel management system since 2011, and this had been on trial basis. An implementing partner was managing the fuel system and the Representation had not allocated funds for materials and equipment to 20 different locations to enable the system to become operational in these locations as well.

(6) The UNHCR Representation in the Democratic Republic of Congo (DRC) should use the fuel

management system currently utilized in Kinshasa for all sub and field offices in the DRC, in order to have a common and adequate reporting tool to monitor the quantity and value of fuel procured and consumed.

The UNHCR Representation in the Democratic Republic of Congo accepted recommendation 6 and stated that the fuel management system had already been implemented in all the DRC offices. A comprehensive analysis of the results of the implementation of the fuel management system would be done by 31 December 2013. The Regional Supply Section in Kinshasa would develop required guidelines and reports concerning fuel management. OIOS acknowledges the progress made in implementation. Recommendation 6 remains open pending receipt of evidence the fuel management system now implemented in all offices is being used as a reporting tool to monitor the quantity and value of fuel consumed by office.

Actions underway to follow up on outstanding receivables

23. At the time of fieldwork, there were outstanding receivables items totaling \$1,172,600. Seventy-seven per cent, or \$910,800, of the outstanding items related to salary and rental advances to staff. The Office was waiting for the bills from countries of evacuation for use in clearing some of the cases. Other cases required authorization from the Department of Human Resource Management (DHRM) for the concerned outstanding items to be cleared under the hardship provision.

24. The main causes of this problem were incorrect transfers of many outstanding items from the Financial Management Information System to the MRSP system in 2008, and the lack of dedicated staff engaged in reconciling receivables. Long outstanding open items were submitted in September 2012 to the Headquarters Asset Management Board (HAMB) for write-off. Following the fieldwork, the Representation took prompt action to address the issue. A plan of action to clear aged open items was prepared and two focal points were appointed.

(7) The UNHCR Representation in the Democratic Republic of Congo should ensure that outstanding open items are closed as soon as possible.

The UNHCR Representation in the Democratic Republic of Congo accepted recommendation 7 and stated that it agreed with the recommendation and had already taken actions towards closing the outstanding open items, the details of which were reported separately to OIOS. As of 31 August 2013, the value of open items was \$569,236. Implementation of the recommendation was expected to be completed by 30 June 2014. OIOS acknowledges the progress made in implementation. Recommendation 7 remains open pending receipt of evidence that the \$569,236 open items have been closed.

IV. ACKNOWLEDGEMENT

25. OIOS wishes to express its appreciation to the Management and staff of United Nations High Commissioner for Refugees operations in the Democratic Republic of Congo for the assistance and cooperation extended to the auditors during this assignment.

(Signed) David Kanja
Assistant Secretary-General for Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of United Nations High Commissioner for Refugees operations in the Democratic Republic of Congo

| Recom. no. | Recommendation | Critical ¹ / Important ² | C/ O ³ | Actions needed to close recommendation | Implementation date ⁴ |
|------------|--|---|----------------------|---|----------------------------------|
| 1 | The UNHCR Representation in the Democratic Republic of Congo should put in place local procedures to monitor and ensure that selection and retention of implementing partners is carried out in compliance with the rules. | Important | O | Evidence that selection of implementing partners for 2014 is done in accordance with UNHCR rules. | 31 October 2013 |
| 2 | The UNHCR Representation in the Democratic Republic of Congo (DRC) should, in consultation with the Bureau for Africa, analyze the impact of the current funding constraints on the needs of refugees and internally displaced persons and re-estimate the funds required to address the identified gaps to achieve, over a period of time, minimum recommended conditions for these persons of concern. | Important | O | Evidence that re-adjustment of the budget to narrow the gaps in funding, to help achieve minimum recommended conditions for persons of concern, was successfully completed. | 31 December 2013 |
| 3 | The UNHCR Representation in the Democratic Republic of Congo should update stock records, ensure all stock have bin cards affixed, and provide warehouse training to staff working in the Lubumbashi warehouse. This should be supported by periodic monitoring checks to ensure compliance with UNHCR rules. | Important | O | Evidence that stock records for the remaining nine warehouses have been successfully updated and supply staff have completed inventory training. | 31 December 2013 |
| 4 | The UNHCR Representation in the Democratic Republic of Congo should develop a vendor registration database, implement vendor vetting procedures, establish a vendor review committee and schedule training for staff on roles and | Important | O | Evidence that staff training on roles and responsibilities in vendor management has been successfully completed. | 31 December 2013 |

¹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

³ C = closed, O = open

⁴ Date provided by United Nations Higher Commissioner for Refugees in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of United Nations High Commissioner for Refugees operations in the Democratic Republic of Congo

| Recom. no. | Recommendation | Critical ¹ / Important ² | C/ O ³ | Actions needed to close recommendation | Implementation date ⁴ |
|------------|---|---|----------------------|---|----------------------------------|
| | responsibilities in vendor management. | | | | |
| 5 | The UNHCR Representation in the Democratic Republic of Congo should put in place procedures to ensure that the procurement section is trained, and procurement is monitored to ensure that all contracts over \$20,000, including those from the same supplier that reach an aggregated amount of \$20,000 over 12 months, are presented for review to the Local Contracts Committee. | Important | O | Evidence that training on internal supply chain for procurement staff scheduled for October 2013 has been successfully completed and purchase contracts over \$20,000 both individual and aggregated amounts are monitored. | 31 December 2013 |
| 6 | The UNHCR Representation in the Democratic Republic of Congo (DRC) should use the fuel management system currently utilized in Kinshasa for all sub and field offices in the DRC, in order to have a common and adequate reporting tool to monitor the quantity and value of fuel procured and consumed. | Important | O | Evidence the fuel management system now implemented in all offices is being used as a reporting tool to monitor the quantity and value of fuel consumed by office. | 31 December 2013 |
| 7 | The UNHCR Representation in the Democratic Republic of Congo should ensure that outstanding open items are closed as soon as possible. | Important | O | Evidence that most of the \$569,236 open items have been closed. | 30 June 2014 |

APPENDIX I

Management Response

MANAGEMENT RESPONSE

Audit of United Nations High Commissioner for Refugees operations in the Democratic Republic of Congo

| Rec. no. | Recommendation | Critical ⁵ / Important ⁶ | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|----------|--|---|-----------------------|---|---------------------|--|
| 1 | The UNHCR Regional Representation in Democratic Republic of Congo should put in place procedures to monitor and ensure that selection and retention of implementing partners is carried out in compliance with rules. | Important | Yes | Assistant Regional Representative - Operations Kinshasa-DRC | 31st October 2013 | The Implementing Partner Management Committee for 2013 is in place and will operate in compliance with the UNHCR instructions and procedures for the selection and retention of implementing partners. It is planned that the selection of IPs for 2014 will be conducted in October 2013. |
| 2 | The UNHCR Representation in the Democratic Republic of Congo (DRC) should, in consultation with the Bureau for Africa, re-assess the resource allocation for DRC operations which should include analyzing the impact of the funding constraints on refugee and internally displaced persons needs and re-estimating the funds required to address the gaps to achieve, over a period of time, minimum recommended conditions for these persons of concern in compliance with UNHCR rules. | Important | Yes | Assistant Regional Representative - Operations Kinshasa-DRC | 31st December 2013 | The funding constraints have been shared with the Bureau regarding Repatriation of Rwandese and Angolan Refugees and IDPs in the Country Operating Procedures and documents reflecting the gaps have been reviewed during the Mid-Year Review and were transmitted to the Headquarters. A validation mission from Headquarters (including the Deputy Director of the Regional Bureau for Africa, the Deputy Director of the Division of International Protection, the Senior. Desk Officer for DRC and the DPSM) was conducted from 30 August to 4 Sept. 2013. The mission together with senior management of the DRC operation as well as field staff discussed a re-calibration of UNHCR's foot print in the DRC i.e. focus on some strategic activities and limit its geographical distribution in order to enhance the impact of the implemented activities. |

⁵ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

⁶ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

MANAGEMENT RESPONSE

Audit of United Nations High Commissioner for Refugees operations in the Democratic Republic of Congo

| Rec. no. | Recommendation | Critical ⁵ / Important ⁶ | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|----------|---|---|-----------------------|---|---------------------|---|
| | | | | | | <p>The DRC operation is currently reviewing and re-adjusting its 2014 COP accordingly and is developing a 2014/15 strategy paper. While this will not entirely eliminate the funding gaps, it is expected that the re-adjusting of the budget will narrow those gaps as much as possible.</p> <p>The exercise will be completed by end of September 2013.</p> |
| 3 | <p>The UNHCR Representation in the Democratic Republic of Congo should update stocks records, ensure all stock have bin cards affixed, and provide warehouse training to staff working in the Lubumbashi warehouse. This should be supported by periodic monitoring checks to ensure compliance with UNHCR rules.</p> | Important | Yes | <p>Assistant Regional Representative/S upply Kinshasa-DRC</p> <p>Senior Regional Supply Officer /</p> | 31st December 2013 | <p>By end of August 2013, the situation is as follows: Out of fourteen warehouses in the DRC, the following have been re-verified and 100% stock cards been up-dated in Kinshasa, Bukavu, Dongo, Uvira and Zongo.</p> <p>For the remaining nine warehouses, the same procedure will be applied. The whole exercise will be completed in compliance with the updated instruction on physical verification on property plant and equipment issued in September 2013. Monthly reconciliation reports were sent to HQs for June, July and August 2013.</p> <p>The Regional Supply Section (RSS) in Kinshasa monitors stock movements in all warehouses in the region on a monthly basis. In view of the fast moving stocks in the Equateur Province, the RSS monitors the warehouses in Equateur on a weekly basis and prepares MSRs for Equateur based on the documentation sent by Field Offices.</p> |

MANAGEMENT RESPONSE

Audit of United Nations High Commissioner for Refugees operations in the Democratic Republic of Congo

| Rec. no. | Recommendation | Critical ⁵ / Important ⁶ | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|----------|--|---|-----------------------|---|--------------------------------|---|
| | | | | | | <p>The RSS also monitors the implementation of discrepancies registered in the Justification of Inventory Discrepancies Report.</p> <p>SMLS jointly with Global Learning Centre and RSS will conduct a Workshop on Inventory Management for all Inventory Focal Points, Senior Supply Staff and IP staff directly involved in the warehouse management in October 2013.</p> <p>By end of August, 21 out of 30 Supply staff in the DRC have completed the on line IPSAS modules on PPEs and Inventories.</p> |
| 4 | <p>The UNHCR Regional Representation in Democratic Republic of Congo should develop a vendor registration database, implement vendor vetting procedures, establish a vendor review committee and schedule training for staff on roles and responsibilities in vendor management.</p> | Important | Yes | <p>Assistant Regional Representative/S upply Kinshasa-DRC</p> <p>Senior Regional Supply Officer</p> | 31 st December 2013 | <p>By end of August 2013, the vendor registration database contains information on 1245 vendors, which were used as of 2007. The Vendor Registration Committee had its first session of 2013 in September 2013 and a plan of action has been established.</p> <p>The training for staff on roles and responsibilities in vendor management will be held in November 2013.</p> <p>The RSS has also planned to organize Vendor Conference for the local vendors in December 2013.</p> |

MANAGEMENT RESPONSE

Audit of United Nations High Commissioner for Refugees operations in the Democratic Republic of Congo

| Rec. no. | Recommendation | Critical ⁵ / Important ⁶ | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|----------|---|---|-----------------------|---|---------------------|--|
| 5 | The UNHCR Regional Representation in Democratic Republic of Congo should put in place procedures to ensure that the procurement section is trained and procurement is monitored to ensure that all contracts over \$20,000, including aggregated amounts reaching a total of \$20,000 for the same supplier over the period of 12 months, are presented to the Local Contracts Committee. | Important | Yes | Assistant Regional Representative/S upply Kinshasa-DRC Senior Regional Supply Officer | 31st December 2013 | The Regional Supply Section (RSS) is planning to conduct training on internal supply chain in October 2013. The implementation of this recommendation will be completed by 31st December 2013. The RSS is monitoring purchase contracts over US\$ 20,000, including aggregated amounts reaching a total of US\$ 20,000 and in compliance with procurement rules and procedures will ensure that all related purchases are presented to the Local or Regional Committee on Contracts. |
| 6 | The UNHCR Regional Representation in Democratic Republic of Congo should use the fuel management system currently utilized in Kinshasa for all sub and field offices in the Democratic Republic of the Congo, in order to have a common and adequate reporting tool to monitor the quantity and value of fuel procured and consumed. | Important | Yes | Assistant Regional Representative/S upply Kinshasa-DRC Senior Regional Supply Officer | 31 December 2013 | In addition to Kinshasa, the fuel management system has already been implemented in all DRC offices. A comprehensive analysis of the results of the implementation of the fuel management system will be done by 31 December 2013. Regional Supply Section in Kinshasa will develop required guidelines and reports concerning fuel management. |
| 7 | The UNHCR Regional Representation in Democratic Republic of Congo should ensure that outstanding open items are closed as soon as possible. | Important | Yes | Assistant Regional. Representative Admin/Finance Regional Finance Officer | 30 June 2014 | The Representation agrees with this recommendation and is currently taking actions towards closing the outstanding open items, the details of which were reported separately to OIOS. Implementation of the recommendation is expected to be completed by 30 June 2014. |