



## INTERNAL AUDIT DIVISION

# AUDIT REPORT 2014/059

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

Overall results relating to the effective management of UNHCR operations in Niger were initially assessed as partially satisfactory. Implementation of six important recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

30 June 2014

Assignment No. AR2013/111/04

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# AUDIT REPORT

## Audit of the operations in Niger for the Office of the United Nations High Commissioner for Refugees

### I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in Niger for the Office of the United Nations High Commissioner for Refugees (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 commenced operations in June 1975 and closed in December 2006 due to the limited scale of operations and the reduction in the refugee caseload. From 2006 to 2012 there was only a small presence in Niamey. Because of the Mali crisis that started in January 2012, the Representation's operations escalated to assist refugees with international protection and humanitarian assistance. The Representation had its main office in Niamey, and four field offices in Abala, Ouallam, Tahoua and Tillabéri.
4. As of 31 March 2013, there were 50,715 Malian refugees living in three camps (Mangaizé, Abala and Tabareybarey), in the two refugee-hosting areas for nomad refugees in Intekan and Tazalit and the rest in the capital city of Niamey.
5. The Representation worked with eight implementing partners in 2012 and twelve in 2013. It had expenditures of \$35.6 million in 2012 and \$22.9 million in 2013, and a budget of \$31.5 million in 2014. In June 2013, the operation had 101 posts of which 87 were filled. The Representation held 271 Serially Tracked Items (STIs) with a purchase price of \$515,500 and 75 Property, Plant and Equipment (PPE) assets with a purchase price of \$2.5 million. The Representation also had one warehouse in Niamey managed by an implementing partner.
6. Comments provided by the representation in Niger are incorporated in *italics*.

### II. OBJECTIVE AND SCOPE

7. 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 Niger**.
8. This audit was included in OIOS 2013 risk-based annual work plan, due to risks related to the programme, financial, procurement and asset management activities of the Representation. The last audit of the Representation was conducted in 1998.
9. The key controls tested for the audit were: a) project management; and b) 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 project activities.
- (b) **Regulatory framework:** Controls that provide reasonable assurance that policies and procedures exist, are adequate and effective.
10. The key controls were assessed for the control objectives shown in Table 1.
11. OIOS conducted this audit from August to September 2013. The audit covered the period from January 2012 to June 2013.
12. 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 also: interviewed UNHCR staff at the Branch Office in Niamey and implementing partner staff; visited the warehouse and the refugee camp in Mangaizé; reviewed relevant documents including policies, guidelines and procedures; and reviewed data available in the Managing for Systems, Resources and People system (MSRP).

### III. AUDIT RESULTS

13. The Representation governance, risk management and control processes examined were initially assessed as **partially satisfactory** in providing reasonable assurance regarding **effective management of UNHCR operations in Niger**. OIOS made eight recommendations to address issues identified in the audit.
14. Project management was assessed as partially satisfactory because:(a) there was a need to achieve UNHCR standard indicators in the camps; (b) there was a need to clearly define implementing partners' contributions to UNHCR in the project agreements and recover overpayments; (c) performance monitoring needed to be done by a multi-functional team; and (d) construction activities implemented by implementing partners amounting to \$1.2 million needed to be better monitored by technical staff. Action was taken to implement standard operating procedures for the distribution of non-food items (NFIs).
15. Regulatory framework was assessed as partially satisfactory because there was a need to: (a) monitor procurement activities delegated to implementing partners; and (b) to improve controls over asset management. Action was taken to undertake competitive procurement on the basis of an annual procurement plan.
16. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of six 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 Niger	(a) Project management	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(b) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
<b>FINAL OVERALL RATING: PARTIALLY SATISFACTORY</b>					

### A. Project management

Need to improve the situation in the camps in Niger to meet required standards

17. In line with its Global Strategic Priorities, UNHCR Representations are required to ensure minimum standards for delivery of basic needs and services in their humanitarian operations. Accordingly, UNHCR has established target indicators for the provision of nutrition, water and sanitation, shelter, protection and education.

18. The Representation was not able to achieve UNHCR standards in the Mangaize, Abala and Tabareybarey camps in 2012 and 2013 as shown in Table 2 below:

Table 2  
UNHCR Niger delivery of basic needs and services in 2013

Standard Measured	Target Indicators	Achievement of standards in the three camps		
		Mangaize	Tabareybarey	Abala
Nutrition - Severe Acute Malnutrition	Less than 2 per cent	2.2 per cent	3.8 per cent	Satisfactory
Food security - Wet Feeding Frequency	More than 70 per cent	64.5 per cent	62.9 per cent	Satisfactory
Water	Minimum 15 liters per day and per person	Satisfactory	Satisfactory	13.1 liters
Sanitation	20 persons per latrine	Satisfactory	Satisfactory	46 persons per latrine
Education - Primary School Enrolment	100 per cent	45 per cent	61 per cent	44 per cent
Shelter	100 per cent	53.8 per cent	40 per cent	Not available
Best Interest Determination (BID)	BID is performed	BID not performed	BID not performed	BID not performed

Sexual and Gender Based Violence interventions	Interventions undertaken	No interventions	No interventions	No interventions
Services for persons with special needs	Services are provided	No interventions	No interventions	No interventions

19. The main reason for not being able to meet minimum standards was the lack of an action plan and the large number of new arrivals in 2012, which put increased pressure on existing infrastructure (shelter, education, water and sanitation).

**(1) The UNHCR Representation in Niger should implement an action plan to achieve UNHCR standards in all camps for nutrition, food security, education, shelter, sanitation and for interventions to prevent Sexual and Gender Based Violence.**

*The UNHCR Representation accepted recommendation 1 and stated that the action plan had been finalized and implementation was ongoing. Recommendation 1 remains open pending confirmation that camp standards improved as a result of actions taken by the Representation.*

Need to clearly define international non-governmental organization implementing partners' contribution to project activities in partner agreements

20. The contribution by UNHCR towards headquarters support costs for international non-governmental organization (NGO) implementing partners is set at seven per cent of the project budget. Local procurement in excess of 30 per cent should be excluded from the calculation base for the purposes of calculating the overhead costs. To be eligible for a contribution from UNHCR towards the headquarters costs, the partner must make a significant and quantifiable contribution, from its own resources, to the individual project or country/regional operation, which is at least sufficient to offset the contribution by UNHCR.

21. OIOS reviewed overhead costs reimbursed to three international NGO's in 2012 and 2013 and noted that all three spent more than 30 per cent of their budget on local procurement of NFIs, construction materials, computers and other information technology equipment and construction related activities in the camps. The Representation incorrectly calculated the overhead costs to be covered by UNHCR using total budgets and did not exclude the local procurement component in excess of 30 per cent. As a result, the Representation overpaid overhead costs by \$87,287 in 2013.

22. The Representation also paid the seven per cent overhead support costs to international NGO implementing partners without ensuring that their contributions were documented in the relevant sub-agreements. The Representation explained that due to the emergency and workload constraints, this condition was not enforced.

**(2) The UNHCR Representation in Niger should: (a) work with its international implementing partners to document their 2014 contribution to UNHCR activities as a requirement for the payment of overhead support cost; and (b) recover support costs of \$87,287 that were overpaid in 2013 to implementing partners.**

*The UNHCR Representation accepted recommendation 2 and stated that: (a) consultation were ongoing with implementing partners on the 2014 contribution to UNHCR; and (b) letters were sent indicating that a review of 2013 overhead cost was in process and where discrepancies were identified, the amounts would be deducted to 2014. Recommendation 2 remains open pending*

confirmation of the recovery of overpaid support costs for 2013 and evidence that partner contribution to UNHCR activities are documented.

Need to implement a performance monitoring plan to assess if project objectives were being achieved

23. UNHCR rules require that offices establish an annual monitoring plan, which should indicate in a transparent manner the participants, times and locations of implementing partner project monitoring visits. For implementing partner performance monitoring, project activities should be assessed against agreed performance targets and an agreed work plan. Performance monitoring should be done by a multi-functional team.

24. The Representation explained that: performance and financial monitoring was not done in 2012, performance monitoring was not done in 2013; and financial monitoring was done in 2013. The Representation also did not provide documented evidence of performance monitoring activities in both years by a multi-functional team.

25. This occurred because the Representation faced staff shortages during the emergency situation and could not ensure that implementing partners' project performance was measured against targets. As a result, there was a risk that weaknesses in implementing partner performance would not be identified and adequately addressed in a timely manner.

**(3) The UNHCR Representation in Niger should arrange for performance monitoring to be periodically done by a multi-functional team to assess whether implementing partners are achieving agreed project objectives.**

*The UNHCR Representation accepted recommendation 3 and stated that the schedule of monitoring of partners activities by the multi-functional team had been put in place from June 2014. Periodical monitoring field visits by a multi-functional team would be regularly organized. Recommendation 3 remains open pending receipt of evidence confirming that performance monitoring by a multi-functional team has been implemented and receipt of sample of monitoring reports prepared by the team.*

Need to monitor construction activities undertaken by implementing partners

26. UNHCR rules require field offices to undertake regular monitoring of the implementing partner procurement processes to ensure that relevant rules and procedures are followed and that the projects are completed in a timely manner. UNHCR implementing partner agreements also require that the partner shall submit to UNHCR, one copy of each signed building and construction contract or subcontract exceeding a value of US\$ 5,000 or equivalent, together with the relevant plans, cost estimates and bills of quantities. The partner is also required to complete the work by a date specified in the agreement.

27. UNHCR did not conduct monitoring visits in 2012 for construction activities delegated to three implementing partners with a value of \$1.2 million. The construction activities envisaged the building of community centres, storage sheds, schools, offices for implementing partners, and refugee centres in camps and host areas. These activities started in February 2012, were to be completed by December 2012, and were incomplete at the time of the audit fieldwork (September 2013). UNHCR staff also explained that the implementing partners did not provide access to documents relating to the construction activities, such as drawings, plans and bills of quantities.

28. This happened because the Representation did not plan adequately to ensure that it had the required staff on board to monitor the activities of the implementing partners and to ensure that partners

complied with the activities agreed in the work plan and the implementing partner agreement. As a result, buildings were not constructed as planned, depriving persons of concern of essential infrastructure.

**(4) The UNHCR Representation in Niger should: (a) establish an action plan and ensure that there are technical staff to monitor the implementation of construction projects by implementing partners; and (b) ensure that construction files that include drawings, plans and bills of quantities are maintained by partners and in UNHCR offices.**

*The UNHCR Representation accepted recommendation 4 and stated: (a) UNHCR Niger had initiated the recruitment of a consultant to work as construction/civil engineer to monitor the implementation of construction projects and to serve as focal point for relevant files on construction projects; and (b) an action plan had been established for the technical monitoring of implementation of construction projects. Recommendation 4 remains open pending confirmation that: (a) the consultant has been recruited and is used for monitoring implementation of construction projects; and (b) and receipt of evidence that construction files are maintained by partners and in UNHCR offices.*

#### Need to implement monitoring procedures for non-food items

29. UNHCR rules state that arrangements for distribution of NFIs are an important management responsibility of UNHCR and should include ongoing reviews and controls by UNHCR to ensure that the planned number of people receive the specified quantities of NFIs. As per the guidance, UNHCR's presence during distribution, or at least frequent site visits are required and proper standard operating procedures (SOPs) should be established. The Representation through its three implementing partners had distributed NFIs in refugee camps valued at \$972,900 in 2012 and \$115,700 in 2013 (as of June 2013).

30. The Representation did not conduct the required monitoring visits and undertake on-site checking during NFI distributions. The Representation had also not implemented controls to reconcile the number of NFIs issued from the warehouse. As a result, UNHCR was unable to obtain assurance that NFIs distributed from the warehouse had reached the intended beneficiaries. Due to the lack of standard operating procedures and monitoring controls over NFI distribution, beneficiaries might not receive the NFIs and these items could be diverted resulting in a loss to UNHCR.

**(5) The UNHCR Representation in Niger should develop and implement standard operating procedures for distribution, reconciliation and monitoring of non-food items.**

*The UNHCR Representation accepted recommendation 5 and stated that standard operating procedures for issuance and reconciliation of stock, including process flowchart and use of standard forms had been drafted locally and were being implemented. The installation of NFI software tool allowed the recording of NFI distribution to beneficiaries and extraction of detailed reports. Based on the action taken by the Representation, recommendation 5 has been closed.*

## **B. Regulatory framework**

#### Need to review the adequacy of procedures for procurement by implementing partners

31. UNHCR implementing partner procurement guidelines state that UNHCR policy is to limit purchasing by implementing partners to only those occasions when the implementing partner has a clearly proven advantage, such as awareness of local conditions or specific technical expertise. Furthermore, if



procurement in excess of \$100,000 is delegated to an implementing partner, prior approval by the Local Committee on Contracts (LCC) is required. This is to provide the LCC with the opportunity to assess the risks of such delegation and to ensure mitigating controls are implemented. Implementing partners need to adhere to the Implementing Partner Procurement Guidelines which require them to undertake competitive processes for procurement delegated to them.

32. The Representation delegated procurement activities aggregating to \$3.6 million to implementing partners in 2012 and 2013. This delegation was not in compliance with the rules because:

- The Representation did not assess if there was a cost advantage in delegating procurement to partners.
- The LCC did not approve the delegation of procurement to the partners.
- The implementing partners did not follow the procurement guidelines requiring competitive bidding. For example, three or more competitive bids were not invited for the procurement of fuel, motorbikes, soap, office equipment, and construction materials.

33. This happened due to lack of oversight by the Representation, as a consequence of which there was no assurance that partners procured goods competitively.

**(6) The UNHCR Representation in Niger should implement measures to improve supervision and oversight of procurement activities delegated to implementing partners, and to ensure that approval of the Local Committee on Contracts is always sought prior to the delegation of procurement to partners.**

*The UNHCR Representation accepted recommendation 6 and stated that action was ongoing and all procurement budgets for non-prequalified partners were being submitted to the Local Contract Committee for approval before the signing of Project Partnership Agreements. Recommendation 6 remains open pending receipt of evidence that supervision and oversight of implementing partner procurement has been strengthened and that approval of the Local Committee on Contracts is sought prior to the delegation of procurement to partners.*

Action was taken to develop an annual procurement plan and follow procurement process

34. UNHCR rules require field offices and headquarters' units to prepare Annual Purchasing Plans based on needs assessments and approved programmes. All requisitions should be based on agreed plans. One of the main tasks of the LCC is to ensure that goods and services are obtained through competitive bidding, which is applicable to all UNHCR offices, at HQ and in the field. In addition, all procurement in excess of \$20,000 requires approval of the LCC.

35. Arrangements for managing procurement at the Representation were not satisfactory because:

- The office did not have annual procurement plans in 2012 or 2013.
- Out of 33 vouchers sampled, the procurement relating to 16 vouchers, which totalled \$637,000, did not undergo competitive bidding processes.
- In seven cases, LCC approval was not sought although the value of the procurement exceeded \$20,000.

36. These shortcomings were due to inadequate knowledge of UNHCR procurement rules. They exposed the Representation risks related to failure to consistently obtain best value for money.

**(7) The UNHCR Representation in Niger should: (a) establish annual procurement plans; (b) ensure that that goods and services are obtained through competitive bidding; and (c) ensure that the Local Committee on Contracts approves all purchases in excess of \$20,000.**

*The UNHCR Representation accepted recommendation 7 and stated that a procurement plan had been prepared. All goods and services were procured through competitive bidding. From 2014, LCC convened for all purchases in excess of \$20,000. Based on the action taken by the Representation, recommendation 7 has been closed.*

Need to adhere to required procedures on asset management

37. UNHCR rules stipulate the need for the annual physical verification of all assets owned by UNHCR at all field offices and headquarters including assets held by implementing partners under a right of use agreement.

38. The Representation carried out the physical verification exercise for 2013 before the deadline of 4 October 2013 but did not conduct the required annual physical verification for PPEs and STIs for the year ended 31 December 2012. The following shortcomings were noted in the existing arrangements:

- A review of 13 out of 89 PPEs indicated that two PPEs with total purchase value of \$68,000 were not recorded in MSRP.
- Another review of 21 out of 267 STIs held by the Representation indicated that nine STIs with an acquisition value of \$23,000 were not recorded in MSRP.
- There were over 220 STIs valued at \$133,100 that had not been recorded in MSRP.

39. OIOS also reviewed the right of use agreements (ROU) for six implementing partners for 2012 and 2013 and noted weaknesses regarding recording of PPEs and STIs. For example:

- The following items were not recorded in the ROU agreement: photocopiers with a value of \$7,200; a truck worth \$26,168; and three vehicles with an aggregate value of \$120,271.
- There was no ROU Agreement signed between the Representation and an implementing partner for 2012 and 2013 for PPEs valued at \$146,200 and STIs valued at \$11,500 as per MSRP records.

40. The Supply Officer explained that the office had not undertaken the verification of PPEs since his arrival in November 2012. This was due to the absence of appropriate procedures, competing work priorities (such as sorting out inventories in the warehouse in Niamey) that took precedence, and a lack of staff. The absence of credible and updated asset records could lead to a loss of resources for the organization. Furthermore, not having all assets registered in the system could result in a lack of accountability if assets are stolen/broken and could also lead to under-utilization of assets that could otherwise have been redistributed to other offices.

**(8) The UNHCR Representation in Niger should implement procedures to ensure that all assets belonging to UNHCR, including those held under the custody of implementing partners, are physically verified and registered in the Managing for Systems, Resources and People system.**

*The UNHCR Representation accepted recommendation 8 and stated that year-end physical verification for all the assets was conducted and adjustment in MSRP would be finalized with the support of the Asset Management Unit (AMU) of SMS in Budapest. Recommendation 8 remains open pending confirmation that the verified assets are recorded in MSRP.*

#### **IV. ACKNOWLEDGEMENT**

41. OIOS wishes to express its appreciation to the Management and staff of the United Nations High Commissioner for Refugees Representation in Niger 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 the operations in Niger for the Office of the United Nations High Commissioner for Refugees

Recom. 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 Niger should implement an action plan to achieve UNHCR standards in all camps for nutrition, food security, education, shelter, sanitation and for interventions to prevent Sexual and Gender Based Violence.	Important	O	Confirmation that camp standards improved as a result of actions taken by the Representation.	30 June 2014
2	The UNHCR Representation in Niger should: (a) work with its international implementing partners to document their 2014 contribution to UNHCR activities as a requirement for the payment of overhead support cost; and (b) recover support costs of \$87,287 that were overpaid in 2013 to implementing partners.	Important	O	Confirmation of the recovery of overpaid support costs for 2013 and evidence that partner contribution to UNHCR activities are documented.	31 July 2014
3	The UNHCR Representation in Niger should arrange for performance monitoring to be periodically done by a multi-functional team to assess whether implementing partners are achieving agreed project objectives.	Important	O	Receipt of evidence confirming that performance monitoring by a multi-functional team has been implemented and receipt of sample of monitoring reports prepared by the team.	30 June 2014
4	The UNHCR Representation in Niger should: (a) establish an action plan and ensure that there are technical staff to monitor the implementation of construction projects by implementing partners; and (b) ensure that construction files that include drawings, plans and bills of quantities are maintained by partners and in UNHCR offices.	Important	O	Confirmation that: (a) the consultant has been recruited and is used for monitoring implementation of construction projects; and (b) and receipt of evidence that construction files are maintained by partners and in UNHCR offices.	30 June 2014
5	The UNHCR Representation in Niger should develop and implement standard operating	Important	C	Action taken	Implemented

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> C = closed, O = open

<sup>4</sup> Date provided by the UNHCR Representation in Niger.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the operations in Niger for the Office of the United Nations High Commissioner for Refugees

Recom. 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>
	procedures for distribution, reconciliation and monitoring of non-food items.				
6	The UNHCR Representation in Niger should implement measures to improve supervision and oversight of procurement activities delegated to implementing partners, and to ensure that approval of the Local Committee on Contracts is always sought prior to the delegation of procurement to partners.	Important	O	Receipt of evidence that supervision and oversight of implementing partner procurement has been strengthened and that approval of the Local Committee on Contracts is sought prior to the delegation of procurement to partners	30 June 2014
7	The UNHCR Representation in Niger should: (a) establish annual procurement plans; (b) ensure that that goods and services are obtained through competitive bidding; and (c) ensure that the Local Committee on Contracts approves all purchases in excess of \$20,000.	Important	C	Action taken	Implemented
8	The UNHCR Representation in Niger should implement procedures to ensure that all assets belonging to UNHCR, including those held under the custody of implementing partners, are physically verified and registered in the Managing for Systems, Resources and People system.	Important	O	Confirmation that the verified assets are recorded in MSRP	30 September 2014

# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of the operations in Niger 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	Client comments
1	The UNHCR Representation in Niger should implement an action plan to achieve UNHCR standards in all camps for nutrition, food security, education, shelter, sanitation and for interventions to prevent Sexual and Gender Based Violence.	Important	YES	Snr Program Officer and Snr Protection Officer	30 June 2014	The action plan has been finalized and implementation is ongoing.
2	The UNHCR Representation in Niger should: (a) work with its international implementing partners to document their 2014 contribution to UNHCR activities as a requirement for the payment of overhead support cost; and (b) recover support costs of \$87,287 that were overpaid in 2013 to implementing partners.	Important	YES	Snr Programme Officer and Project Control Officer	July 2014	a) Consultation is on-going with implementing partners on the 2014 contribution to UNHCR. b) Letters were drafted indicating that a review of 2013 overhead cost is in process where discrepancies identified will be deducted to 2014.
3	The UNHCR Representation in Niger should arrange for performance monitoring to be periodically done by a multi-functional team to assess whether implementing partners are achieving agreed project objectives.	Important	YES	Snr Program Officer and Project Control Officer	30 June 2014	Schedule of monitoring of partners activities by the multi-functional team is in place from June 2014 until end of the year. Subsequently periodical monitoring field visits by the multi-functional team will be regularly organized.
4	The UNHCR Representation in Niger should: (a) establish an action plan and ensure that there are technical staff to monitor the implementation of construction projects by implementing partners; and (b) ensure that construction files that include drawings, plans and bills of quantities are maintained by partners and in UNHCR offices.	Important	YES	Snr Program Officer and Project Control Officer	30 June 2014	a) UNHCR Niger has initiated the recruitment of a construction/civil engineer to monitor the implementation of construction projects and will serve as focal point for relevant files on construction projects. b) An action plan has been

<sup>5</sup> 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.

<sup>6</sup> 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 the operations in Niger 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	Client comments
						established on the technical monitoring of implementation of construction projects.
5	The UNHCR Representation in Niger should develop and implement standard operating procedures for distribution, reconciliation and monitoring of non-food items.	Important	YES	Supply Officer	30 June 2014	Standard Operating Procedures for issuance and reconciliation of stock, including process flowchart and use of standard forms are drafted locally and are being implemented. The installation of NFI software tool allowed the recording of NFI distribution to beneficiaries and extraction of detailed reports.
6	The UNHCR Representation in Niger should implement measures to improve supervision and oversight of procurement activities delegated to implementing partners, and to ensure that approval of the Local Committee on Contracts is always sought prior to the delegation of procurement to partners.	Important	YES	Supply Officer	30 June 2014	Action is ongoing and all procurement budgets for non-qualified partners are now being submitted to Local Contract Committee for approval before the signing of Project Partnership Agreements.
7	The UNHCR Representation in Niger should: (a) establish annual procurement plans; (b) ensure that goods and services are obtained through competitive bidding; and (c) ensure that the Local Committee on Contracts approves all purchases in excess of \$20,000.	Important	YES	Supply Officer	30 June 2014	A procurement plan has been prepared. All goods and services are now obtained through competitive bidding. Starting 2014, LCC sits for all purchases in excess of \$20,000.
8	The UNHCR Representation in Niger should implement procedures to ensure that all assets belonging to UNHCR, including those held under the custody of implementing partners, are physically verified and registered in the Managing for Systems, Resources and People system.	Important	YES	Supply Officer	September 30 <sup>th</sup> 2014	Year-end physical verification for all the assets in 2013 was conducted and all adjustment in MSRP are being finalized with the support of Asset Management Unit (AMU) of SMS in Budapest.