



INTERNAL AUDIT DIVISION

REPORT 2014/058

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

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

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

30 June 2014

Assignment No. AR2013/111/05

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AUDIT REPORT

Audit of the operations in the Gambia 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 the Gambia for the Office of the United Nations High Commissioner for Refugees (UNHCR).
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 Gambia office operated under the supervision of the Regional Representation in Senegal. It hosted 9,603 refugees and 6 asylum seekers mainly from Senegal as of June 2013. The office also worked with one local partner and one government partner from 2011 to 2013.
4. The expenditures of the Gambia office were \$0.4 million, \$0.6 million and \$0.9 million for 2011, 2012 and 2013 respectively. The office was staffed by one national officer as Head of Office and six general service staff. It held five Property, Plant and Equipment assets with a purchase price of \$130,716 and 17 Serially Tracked Items with a purchase price of \$22,319.
5. Comments provided by UNHCR are incorporated in *italics*

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of the Gambia office's governance, risk management and control processes in providing reasonable assurance regarding the **effective management of UNHCR operations in the Gambia**.
7. The audit was included in the 2013 internal audit work plan at the request of the Bureau for Africa and based on the risks posed by the office's control environment. The operation had not been previously audited by OIOS.
8. 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 and are adequate and effective.
9. The key controls were assessed for the control objectives shown in Table 1.
10. OIOS conducted this audit from November to December 2013. The audit covered the period from 1 January 2011 to 30 September 2013.

11. OIOS 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.

III. AUDIT RESULTS

12. The Gambia office 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 Gambia**. OIOS made four recommendations to address issues identified in the audit.

13. Project management was initially assessed as partially satisfactory because there was a need to ensure continued medical assistance to refugees by signing a Memorandum of Understanding (MOU) with the government to ensure that health care is provided at affordable rates to refugees. The UNHCR Gambia office signed this MOU in May 2014.

14. Regulatory framework was assessed as partially satisfactory because there was a need to: (a) reduce payment-processing delays by the Regional Representation; (b) improve arrangements for vendor management; and (c) ensure that Minimum Operating Security Standards (MOSS) compliance is assessed twice a year and that related measures are taken to ensure compliance.

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 implementation of three 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 Gambia office	(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

Action was taken to sign a Memorandum of Understanding with the Government

16. UNHCR rules required persons of concern to be provided with access to affordable health care. UNHCR policies further stipulated that offices in the field should not create separate health systems for people of concern and should integrate them into national health care systems.

17. The Gambia office signed an agreement with a partner in 2006 for the provision of medical assistance to refugees. Subsequently in 2010, the office developed new strategies to ensure that refugees had access to health care without charge or at the same cost as nationals.

18. Ninety five per cent of urban refugees came to the partner's health clinic because it offered free consultations and prescriptions. These arrangements allowed the partner to obtain health data on urban refugees, thus facilitating the monitoring of the health status of persons of concern. However, based on recommendations made by the UNHCR Regional Health Officer in January 2013, it was decided to close the health clinic and discontinue free medical consultations in line with the UNHCR policies mentioned in paragraph 16. This decision created frustration among refugees as this meant that they would have to pay for health care services as foreigners. This was because the MOU between UNHCR and the government allowing payment for health care services at local rates applicable to nationals had not been signed.

19. The Gambia office had not adequately assessed the implications of closing the clinic or given due consideration to alternative options. This happened because the Gambia office did not monitor the health project adequately. The closure of the clinic run by the partner without an appropriate alternative plan placed the health and safety of the refugees at risk, as they did not have the means to pay for health care services outside the scheme provided by the partner.

(1) The UNHCR Gambia office should ensure that the Memorandum of Understanding with the government is signed and health care is provided at affordable rates.

The UNHCR Gambia office accepted recommendation 1 and signed an MOU with the government in May 2014. Based on the action taken, recommendation 1 has been closed.

B. Regulatory framework

Need to reduce payment processing delays by the Regional Representation

20. The UNHCR Manual required that payments to suppliers be processed within 30 days. However, a review of 42 payment vouchers amounting to \$252,834, showed that 14 vouchers were paid more than 30 days after receiving the invoices.

21. These delays were caused by the lengthy payments process, which started with the Administrative Assistant at the Gambia office receiving original invoices, which were then sent to the Finance Unit at the Regional Representation for West Africa. Invoices were processed by the Finance Unit in Dakar and letters of transfer and cheques were sent by mail for payment at the Gambia office. This process was followed because the Gambia office did not have access to Managing for Systems, Resources and People (MSRP) and payments were processed by the Finance Unit at the Regional Representation. The late payment of invoices affected the Gambia office as some suppliers refused to provide services in the absence of timely payments.

(2) The UNHCR Gambia office should: a) put in place a system to ensure that invoices are processed and paid within 30 days; and, b) provide access for staff in the Gambia office to Managing for Systems, Resources and People.

The UNHCR Gambia office accepted recommendation 2 and stated that: (a) To speed up the processing of invoices, a new origin in MSRP for the Office in Gambia had been created to put in place this new system; and (b) A regional mission by the Snr Regional Finance Officer to train the

colleagues in Gambia on the use of MSRP had been scheduled prior to providing access and delegation. Recommendation 2 remains open pending establishment of a system to ensure the timely processing and payment of invoices and granting of access rights to MSRP.

Need to set up a vendor review committee and management system

22. UNHCR rules on vendor management required the streamlining of the Vendor Registration Process, pre-qualification of vendors, putting in place a clearly defined document-trail and enhancing the vendor database quality and sourcing infrastructure. The rules also required the setting up of a vendor review committee to select and register vendors and evaluate vendor performance.

23. The Gambia office did not have a vendor review committee or adequate arrangements for managing vendors. It also did not maintain complete vendor files for the 15 local vendors used by the office. The vendor selection process was not documented and further, the Gambia office did not conduct vendor performance evaluations. As a result, the Gambia office could be at risk of transacting business with unreliable vendors. This was due to lack of staff awareness of vendor management rules.

(3) The UNHCR Gambia office should conduct appropriate staff training and establish a vendor review committee to select, register and evaluate vendors.

The UNHCR Gambia office accepted recommendation 3 and stated Supply staff was trained, vendor review committee set up and procedures shared. The Vendor Review Committee was in the process to review existing vendors. Recommendation 3 remains open pending the receipt of evidence that the vendor review committee had reviewed existing vendors and provided appropriate recommendations.

Need to ensure that the Gambia office is Minimum Operational Security Standards compliant

24. The United Nations Department of Security and Safety required all United Nations Offices to comply with Minimum Operational Security Standards (MOSS). In addition, the Division of Emergency, Security and Supply (DESS) issued instructions on 20 June 2013 requiring every office to report on MOSS compliance twice a year.

25. As of 31 December 2013, the Gambia office did not have: the bi-annual MOSS compliance report; the MOSS self-assessment/compliance report; and the office building evacuation plan. The failure to have these measures in place represented non-compliance with MOSS that endangered UNHCR staff and assets.

(4) The UNHCR Gambia office, in coordination with the Regional Representation in Senegal should ensure that: Minimum Operational Security Standards (MOSS) compliance is assessed twice a year; and that steps are taken to ensure that the office is MOSS compliant.

The UNHCR Gambia office accepted recommendation 4 and stated that following a physical security survey by DSS office in Gambia, the Field Safety Associate from Dakar Regional Office conducted a mission to UNHCR Gambia from 11 to 13 December 2013. The mission assessed in situ the MOSS recommendations made by UNDSS Banjul for implementation, adopted relevant recommendations in line with the specifics of the Gambia security situation and met UNHCR Staff for security briefing. Various works were being undertaken in the office to achieve MOSS compliance. Recommendation 4 remains open pending receipt of evidence that MOSS compliance is assessed twice a year and that the office is in full compliance with MOSS requirements.

IV. ACKNOWLEDGEMENT

26. OIOS wishes to express its appreciation to the Management and staff of the Gambia office and the Regional Representation for West Africa 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 the Gambia for the Office of the United Nations High Commissioner for Refugees

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The UNHCR Gambia office should ensure that the Memorandum of Understanding with the government is signed and health care is provided at affordable rates.	Important	C	Action taken	Implemented
2	The UNHCR Gambia office should: a) put in place a system to ensure that invoices are processed and paid within 30 days; and, b) provide access for staff in the Gambia office to Managing for Systems, Resources and People.	Important	O	Establishment of a system to ensure the timely processing and payment of invoices and granting of access rights to MSRP.	31/07/2014
3	The UNHCR Gambia office should conduct appropriate staff training and establish a vendor review committee to select, register and evaluate vendors.	Important	O	Receipt of evidence that the vendor review committee had reviewed existing vendors and provided appropriate recommendations.	31/12/2014
4	The UNHCR Gambia office, in coordination with the Regional Representation in Senegal should ensure that: Minimum Operational Security Standards (MOSS) compliance is assessed twice a year; and that steps are taken to ensure that the office is MOSS compliant.	Important	O	Receipt of evidence that MOSS compliance is assessed twice a year and that the office is in full compliance with MOSS requirements.	30/09/2014

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 UNHCR in response to recommendations.

APPENDIX I

Management Response

MANAGEMENT RESPONSE

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

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Gambia office should ensure that the Memorandum of Understanding with the government is signed and health care is provided at affordable rates.	Important	Yes	UNHCR Snr Regional Public Health Officer UNHCR Head of Mission UNHCR Gambia	30.05.2014 (implemented)	The MoU between the Government and UNHCR was signed.
2	The UNHCR Gambia office in coordination with the Regional Representation in Senegal should: a) put in place a system to ensure that invoices are processed and paid within 30 days; and, b) provide access for staff in the Gambia office to Managing for Systems, Resources and People and delegate a co-signatory role to the Head of the Field Office.	Important	Yes	UNHCR Head of Office in Gambia UNHCR Snr Regional Finance Officer	July 2014	a) To speed up the processing of invoices, a new origin in MSRP for the Office in Gambia has been created to put in place this new system. b) A regional mission by the Snr Regional Finance Officer to train the colleagues in Gambia on the use of MSRP is scheduled on 30 June prior to providing access and delegation.
3	The UNHCR Gambia office should conduct appropriate staff training and establish a vendor review committee to select, register and evaluate vendors.	Important	Yes	UNHCR Snr Supply Regional Officer	May 2014 (implemented)	Supply staff was trained, vendor review committee established and procedures shared to its members. The Vendor Review Committee is in the process of reviewing existing vendors.
4	The UNHCR Gambia office, in coordination with the Regional Representation in Senegal should ensure that: Minimum Operational Security	Important	Yes	UNHCR Head of Office in Gambia UNHCR Snr	Q3 2014	Following a Physical Security Survey by DSS office in Gambia, the Field Safety Associate from Dakar Regional Office conducted a mission

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 the operations in the Gambia for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	Standards (MOSS) compliance is assessed twice a year; and that steps are taken to ensure that the office is MOSS compliant.			Regional Field Safety Officer		to UNHCR country Office at Kotu/The Gambia from 11 to 13 December 2013. The mission assessed <i>in situ</i> the MOSS recommendations made by UNDSS Banjul for implementation, adopted relevant recommendations in line with the specifics of the Gambia security situation and met UNHCR Staff for security briefing. Various works are currently being undertaken in the office for the MOSS compliance. The second security assessment for Gambia will be done upon arrival of the Snr Regional Field Safety Officer and future assessment will be done on regular basis.