



## INTERNAL AUDIT DIVISION

### REPORT 2016/181

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#### Audit of the Biometric Identity Management System at the Office of the United Nations High Commissioner for Refugees

There was a need to strengthen the strategy for global roll out of the biometric system, provide further guidance and assistance to country operations on its use, and develop operational guidelines on data protection

22 December 2016  
Assignment No. AR2016/163/03

# **Audit of the Biometric Identity Management System at the Office of the United Nations High Commissioner for Refugees**

## **EXECUTIVE SUMMARY**

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the development, implementation and management of the Biometric Identity Management System (BIMS) at the Office of the United Nations High Commissioner for Refugees (UNHCR). The audit covered the period from 8 January 2012, i.e. the BIMS project inception date, to 30 June 2016 and reviewed: (i) BIMS as an information and communications technology (ICT) project; and (ii) the early transition of the system to country operations, including project planning, governance, development and implementation, monitoring and evaluation, system deployment, and data protection.

BIMS was fully operational and had the potential to contribute to significant benefits for the planning of operations. However, for more effective delivery of protection and assistance, and aiming towards fraud reduction, there was a need for UNHCR to: (a) strengthen the strategy for the global roll out of BIMS; (b) provide further guidance, benchmarks and assistance to country operations on the use of BIMS; and (c) develop operational guidelines on the implementation of the Policy on the Protection of Personal Data of Persons of Concern to UNHCR. In respect of management of the BIMS project, and also as lessons learned for future ICT projects, there was a need for UNHCR to: (a) strengthen controls over project reviews; (b) enhance oversight over key project decisions; and (c) strengthen the benefits realization review of ICT projects.

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

- Establish a process for ongoing and future organization-wide ICT projects to ensure that the required project reviews are conducted in a timely manner to provide effective inputs for project continuity and decision making.
- Reinforce roles, responsibilities and processes to ensure adequate tracking and oversight of key decisions relating to ICT projects.
- For ongoing and future ICT projects: (a) ensure that business cases include relevant metrics to allow the assessment of benefit realization and achievement of value for money of projects; and (b) enhance the Operational Review and Benefits Realization process.
- Strengthen the strategy for the global deployment and support of BIMS, and establish overall targets, funding approaches, criteria for the selection of deployment countries, an approach for the replacement of or integration with other biometric systems, and an institutionally agreed plan for the implementation of the strategy.
- Follow up with country operations on their needs for support on the use of BIMS and provide guidance, benchmarks and assistance on: (a) effective integration of BIMS with their business processes; (b) roll out of effective reporting tools and qualitative and quantitative monitoring requirements; and (c) user management and security of data and equipment.
- Complement the Policy on the Protection of Personal Data of Persons of Concern to UNHCR with operational guidelines on its implementation; conduct a diagnosis on data sharing practices to identify gaps and to advise country operations on the need to review those practices in light of the Policy; and provide training on the implementation of the Policy.

UNHCR accepted the recommendations and has initiated action to implement them.

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# **Audit of the Biometric Identity Management System at 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 Biometric Identity Management System (BIMS) at the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. Biometrics is the process by which a person's unique physiological characteristics, such as fingerprints, iris and facial features, are detected and recorded by an electronic device or system as a means of confirming identity. On 16 December 2010, UNHCR issued the Policy on Biometrics in Refugee Registration and Verification Processes, stating that biometrics adds value to UNHCR identity, registration and documentation processes by providing reliable identity authentication and preventing risks of: (a) identity substitution or fraudulent family composition; (b) multiple registrations or multiple applications for benefits; and (c) identity theft.

3. The Division of Programme Support and Management (DPSM) was tasked to support the technical implementation of BIMS, with the assistance of the Division of Information Systems and Telecommunications (DIST) and the Division of International Protection (DIP). The period of the project development and implementation was from 8 January 2012 to 31 December 2015. As at 31 December 2015, the system had been rolled out to 11 UNHCR country operations. The number of refugees biometrically enrolled totaled 593,000.

4. On 4 January 2016, UNHCR established in Copenhagen, Denmark the Identity Management and Registration Section (IMRS) to strengthen the policy and guidance framework and to support UNHCR's tools and systems for registration identity and individual case management, including the Profile Global Registration System in Partnership (ProGres) version 4, UNHCR's registration and case management system for refugees, and BIMS, and to develop new operational approaches, provide technical support and build capacity in country operations in these areas. DPSM also established in Copenhagen the ProGres version 4 and BIMS joint DPSM and DIST project team with two dedicated staff resources to finalize the development and global deployment of BIMS. The two teams were reporting to the DPSM Deputy Director based in Geneva.

5. From 2012 to 2015, the project had a budget of \$9.6 million and total expenditure of \$8.7 million (77 per cent funded out of the DPSM budget and 23 per cent out of the DIST budget).

6. Comments provided by UNHCR are incorporated in italics.

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

7. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the development, implementation and management of BIMS at UNHCR.

8. This audit was included in the 2016 risk-based work plan of OIOS due to the risk associated with inaccurate or incomplete registration data and the critical importance of biometric data in supporting identity verification for a better coordinated protection and humanitarian response to persons of concern.

9. OIOS conducted this audit from April to August 2016. The audit covered the period from 8 January 2012, i.e. the BIMS project inception date, to 30 June 2016. Based on an activity-level risk assessment, the audit covered higher and medium risk areas related to: (i) BIMS as an information and communications technology (ICT) project; and (ii) the early transition of the system to country operations, i.e. project start-up and planning; project governance; project development and implementation; project monitoring and evaluation; system deployment; and data protection.

10. OIOS reviewed BIMS implementation and management activities undertaken at headquarters in Geneva and Copenhagen and in the following five field locations with different operational contexts and objectives: Chad, the Democratic Republic of the Congo (DRC), India, the Republic of the Congo (ROC) and Thailand (both the country office and the regional office). The audit methodology included: (a) interviews of key personnel to assess current use and realized and potential benefits of the system, (b) review of relevant documentation, (c) analytical review of data, and (d) physical observation of the biometric registration process, including the functioning of the system and equipment.

### **III. OVERALL CONCLUSION**

11. BIMS was fully operational and had potential to contribute to significant benefits for the planning of operations. However, for more effective delivery of protection and assistance, and aiming towards fraud reduction, there was a need for UNHCR to: (a) strengthen the strategy for the global roll out of BIMS; (b) provide further guidance, benchmarks and assistance to country operations on the use of BIMS; and (c) develop operational guidelines on the implementation of the Policy on the Protection of Personal Data of Persons of Concern to UNHCR. In respect of management of the BIMS project, and also as lessons learned for future ICT projects, there was a need for UNHCR to: (a) strengthen controls over project reviews; (b) enhance oversight over key project decisions; and (c) strengthen the benefits realization review of ICT projects.

### **IV. AUDIT RESULTS**

#### **A. Project start-up and planning**

The BIMS project followed the UNHCR ICT project management methodology

12. ICT projects should follow the UNHCR ICT project management methodology comprising the following phases: (a) assess the risks of execution and scale of the project and classify the project based on the level of risk (i.e., Level 1, Level 2, or Level 3, from lower to higher risk); (b) define the project context and justification, or business case; (c) plan; (d) design the system's functional and technical requirements; (e) develop and test; (f) implement; and (g) transition the system to operations and close the project.

13. The project had a long timeline and a complex setup in three phases grouped into two different ICT projects: (a) Project P11112, Level 2: Phase I - Definition of business requirements and contracting of a vendor, and Phase II - Piloting of the system; and (b) Project P14141, Level 3: Phase III - Design, development, and roll out of the system to country operations.

14. The business case that was drafted noted that the project was initiated to respond to the Policy on Biometrics in Refugee Registration and Verification Processes, issued jointly by the Assistant High Commissioners for Protection and Operations on 16 December 2010. The system requirements were developed in different interactions at headquarters, based on contributions from internal and external experts on biometrics and registration and the results of a comparative study of biometric options

developed by a consultant. The requirements were comprehensive in terms of the type of biometric data that the system was to capture, the types of activities the system should perform (enrolment, verification, and identification), the need to operate in diverse operational environments and infrastructures available organization-wide (centralized network structure, local network structure, or without network), central database storage capability, and portability. Project plans, budgets, risk registers, and lessons learned were also established with different levels of detail in different stages of the project.

15. OIOS concluded that the BIMS project followed the prescribed steps of the UNHCR ICT project management methodology throughout its life cycle, although the degree of implementation of some of the steps varied, as described in sections below.

There was a need to strengthen controls over project reviews

16. According to the UNHCR Policy on the Creation of the ICT Governance Board, business units are required to prepare a business case for ICT projects outlining, inter alia, the business need in the context of the organization's strategic objectives, a 5-year assessment of operational costs, the costs and benefits of the project, the impact on the ICT infrastructure, and the risks and security requirements. The UNHCR Portfolio Management Office (PMO), located under DIST, should oversee implementation of the project management process, and conduct project reviews in the early stages of the project life cycle to assess the project justification.

17. The BIMS business case was not adequately developed, as it did not include: (a) a study of biometric systems already available in the organization to demonstrate the need for a new system; (b) specific options or solutions to address the business need; (c) estimated project and post-project costs; and (d) expected organizational and technological impact. This was because the business case was intended to kick off the project and to engage resources for Phase I only. Also, information on possible technological solutions and costs were not available in the early stage of project inception. Nonetheless, a revised business case should have been drafted once this information was available to determine the required level of funding and feasibility of the proposed solution and to support the endorsement of the development and roll out of the system.

18. Additionally, PMO project reviews were conducted and cleared post-facto (on 5 February 2015 and 5 March 2015, respectively), when the contract with the vendor had already been signed and the project was already in the implementation phase. Therefore, these reviews were ineffective as it was too late in the process. The Project Manager did not request the reviews in a timely manner, as it was not mandatory for project continuity and decision making. As a result, there was no assurance that the project and the new system were contextualized and coherent with existing UNHCR biometric systems and ongoing projects, and that BIMS was cost-effective, affordable and sustainable.

**(1) The UNHCR Division of Information Systems and Telecommunications should establish a process for ongoing and future organization-wide information and communications technology projects that ensures that the required project reviews are conducted by the Portfolio Management Office in a timely manner to provide effective inputs for project continuity and decision making.**

*UNHCR accepted recommendation 1 and stated that DIST will implement the recommendation. Recommendation 1 remains open pending receipt of evidence of the process established to ensure that ICT project reviews are conducted in a timely manner.*

## B. Project governance

### There was a need to implement more effective oversight mechanisms over ICT project decisions

19. As required for ICT projects, UNHCR established an ICT Governance Board and a Project Steering Committee to oversee the implementation of a biometrics system. However, the discussions and decisions of the Board and the Committee were not always sufficiently documented. For instance, the Board's final decision to recommend the implementation of a multi-modal biometrics system (iris and fingerprints) as opposed to a single-modal system (iris or fingerprints) was not documented, although the system then became considerably more expensive by nearly \$600,000.

20. Additionally, the project decisions and recommendations of the Board and the Committee were not always implemented. For example, the Committee on 9 September 2014 noted the absence of a communication role in the project organizational chart and requested that it be expanded to include the role. This role was not established and no communication plan was implemented throughout the project. All five country operations reviewed during the audit referred to lack of awareness of BIMS objectives, targets and project status.

21. The shortcoming above occurred because, even though in the development stage of the project a schedule of meetings was developed to follow up and make decisions on project deliverables, the decisions made were not tracked and actively followed up. UNHCR was thus exposed to action gaps related to non-implemented project decisions and ineffective decision making.

**(2) The UNHCR Division of Information Systems and Telecommunications should reinforce roles, responsibilities and processes to ensure adequate tracking and oversight of key decisions relating to information and communications technology projects.**

*UNHCR accepted recommendation 2 and stated that DIST will implement the recommendation. Recommendation 2 remains open pending receipt of evidence of processes put in place to ensure adequate tracking and oversight of key ICT project decisions.*

## C. Project development and implementation

### The procurement process for the selection of the global BIMS supplier was done in accordance with the procurement rules and procedures

22. The procurement of goods and services for the global BIMS contract was conducted competitively, in line with UNHCR procurement rules and procedures. The functional and technical requirements released in the Request for Proposal on 31 January 2013 were clear and provided a detailed description of the requested goods and services and the expected contract performance. The technical assessment was well organized, logical and objective, conducted by staff and external experts with relevant expertise, and well documented. The required approvals from the UNHCR Committee on Contracts were available. The global BIMS contract included Service Level Agreements defined for support and maintenance, comprising stipulated deadlines for the resolution of problems with the system depending on the severity of the problem.

## D. Project monitoring and evaluation

### There was a need to strengthen the Operational Review and Benefits Realization of ICT projects

23. As per the UNHCR ICT project governance process, Level 3 projects are required to undergo, at the project closure stage, an Operational Review and Benefits Realization.

24. The project team had identified in the end of project report submitted to PMO on February 2016 the following benefits of BIMS: accurate figures of the population of concern; and securing identities of persons of concern for durable solutions processes and for protection against identity theft and misuse. The end of project report concluded that the project benefits were not quantifiable for key aspects such as deterrent effects on fraud and protection benefits. The Operational Review and Benefits Realization carried out subsequently on 29 February 2016 had the objective of assessing whether the desired benefits of the project were being achieved and whether the organizational changes were operating smoothly. The review concluded that it could not assess whether the project benefits were being delivered and whether the project had achieved value for money, since all the identified benefits were not quantifiable and since there had been a reduced number of roll outs of the system to country operations. Therefore, the review recommended a post-implementation assessment to the first three countries where BIMS was deployed.

25. Nonetheless, biometric identity authentication contributes to a reduction in the incidence of fraud and also has a deterrent effect on its occurrence. OIOS acknowledges that it is difficult to accurately assess, in quantitative or qualitative terms, the impact of the introduction of biometrics on fraud reduction. Accordingly, for future ICT projects, there would be advantages for UNHCR in identifying upfront the mechanisms to objectively assess benefits based on clear criteria, indicators and metrics stated in the business case. Also, OIOS observed that the review conducted on 29 February 2016 was based solely on documentary analysis with the Project Manager as the main interlocutor. The review team did not seek inputs from the beneficiaries of the project (e.g., by engaging country operations using the system, and eventually community leaders of the refugee population through surveys and other relevant methodologies). Therefore, the benefit realization of the project was only partially assessed.

**(3) The UNHCR Division of Information Systems and Telecommunications, through its Portfolio Management Office, and for ongoing and future information and communications technology projects, should: (a) ensure that business cases include relevant metrics to allow the assessment of benefit realization and achievement of value for money of projects; and (b) enhance the Operational Review and Benefits Realization process, in coordination with the business owners.**

*UNHCR accepted recommendation 3 and stated that DIST will implement the recommendation. Recommendation 3 remains open pending receipt of evidence, with examples, that for new ICT projects: (a) objective criteria, indicators, and metrics were defined upfront in the business case; and (b) the Operational Reviews and Benefits Realization process carried out included relevant inputs from project beneficiaries and other relevant stakeholders.*

## E. System deployment

### There was a need to strengthen the strategy, implementation planning, and resourcing for the global roll out of BIMS

26. According to the UNHCR Policy on Biometrics in Refugee Registration and Verification Processes, UNHCR offices that have identified the need for introducing the use of biometrics should



inform DPSM in writing with a copy to the relevant Bureau and DIP. DPSM should establish a global action plan, including in terms of planning and budgeting for the necessary resources, support and training, to systematically introduce biometrics across UNHCR operations, based on prioritization of operations.

27. The roll out of BIMS to country operations started in January 2015. Each deployment was adequately supported by coordination between the BIMS deployment team at headquarters and the country operation concerned, planning, training, and end of mission reports including lessons learned for future roll outs. The criteria for the selection of countries for deployment in descending order of importance were: operational ease; operational need; seizing opportunity (i.e., on occasion of verification exercises of the population of concern in the country operation); targeted regional outreach, and pan-regional experience. In its 22nd meeting held on 17 December 2014, the ICT Governance Board noted that the operational need should prevail over operational ease, deployments should be risk-based, and demand of donors should be considered. These criteria were later applied in the deployment of BIMS to Chad in March 2015.

28. Nonetheless, OIOS noted the following aspects that required further consideration for the future roll outs of BIMS:

- a. Deployment strategy and implementation plan: The BIMS deployment team had developed a regional deployment strategy for 2015 for Southern Africa. For 2015 and 2016, the countries for deployment were identified on an on-going basis, in light of available resources and requests and discussions with Bureaux and regional offices. The team carried out a qualitative prioritization exercise with regional offices, but these interactions were not documented, and did not result in effective prioritization (i.e., ranking) of countries based on objective criteria. Further, the annual planning exercises of country operations and BIMS deployments were implemented independently, and as a result, did not ensure proper budgeting, timely planning, and adequate allocation of resources.
- b. Anticipation of BIMS related benefits and definition of targets: In most countries, the anticipated use and benefits had not fully materialized. In February 2016, the BIMS team conducted an impact assessment of the 2015 deployments, where it reviewed the achievement of global BIMS targets, explained the rationale for each deployment, assessed the current use of BIMS in the country operations, and made recommendations on the future use of the system. The analysis was relevant, but it remained an internal document for the team, and no specific follow up or corrective actions were defined.
- c. Funding and budgeting: The BIMS budget for 2016 was \$2.7 million, or 51 per cent of the assessed needs in a deployment scenario of three years. The target of 16 deployments set for 2016 seemed ambitious and, as at 31 May 2016, BIMS had been deployed only to 4 operations (Zimbabwe, Kenya, Indonesia and DRC). A joint BIMS and ProGres version 4 fundraising paper was prepared, as recommended by the ICT Governance Board, and used to approach some governments. The UNHCR external website also included information about biometric registration, although it was brief and outdated. However, and considering the funding gap, DPSM and DIST had yet to explore ways of partnering with country operations and other United Nations organizations.
- d. Organizational structure: The BIMS team had an opportunity to enhance future planning through effective coordination with the recently created IMRS, notably for needs assessments, strategy-setting for BIMS deployments, and addressing the needs of operations for the sustained use of BIMS and achievement of gains of operational efficiencies in case

management in the post-deployment phase. The functional support role was being solely delivered by the BIMS team, despite its limited capacity of two temporary staff at P-2 level who were also responsible for the deployment, business analysis, development management, communications, and software testing of the system.

- e. Coexistence of different biometric systems: Biometrics was extensively used across UNHCR operations. From January 2013 to April 2016, OIOS identified \$12.3 million worth of new contracts approved by the UNHCR Committee on Contracts for other biometric systems and related services, equipment and software. The contracts were for biometric systems used by UNHCR and for software and equipment purchased by UNHCR for governments and partners. For example, in the Middle East and North Africa region, and specifically for the Syrian caseload, approximately 2.1 million persons were biometrically registered with another biometric system as at March 2016 in Jordan, Lebanon, Syria, Egypt and Iraq. However, UNHCR lacked a strategy for the replacement or integration between BIMS and other biometric systems used in-house, which was essential for the achievement of the strategic objective of creating a unique biometric identity of persons of concern.

29. The above resulted because UNHCR did not have a strategy for the global deployment of BIMS, lacked comprehensive implementation and resourcing plans, and had yet to explore organizational and inter-organizational synergies that could contribute to improved targets of BIMS deployment and support. As a result, UNHCR was exposed to risks related to delays in the roll out of BIMS, operational inefficiencies, and non-achievement of the strategic objective of creating a unique biometric identity of persons of concern.

**(4) The UNHCR Division of Programme Support and Management, in cooperation with the Division of Information Systems and Telecommunications, should strengthen the strategy for the global deployment and support of the Biometric Identity Management System, and establish overall targets, funding approaches, criteria for the selection of deployment countries, an approach for the replacement of or integration with other biometric systems, and an institutionally agreed plan for the implementation of the strategy.**

*UNHCR accepted recommendation 4 and stated that DPSM in collaboration with other Divisions will strengthen the global deployment and support strategy for BIMS, including elements of vision, gap analysis, strategic roadmap and timeline, assessment of beneficiary management systems, and funding approach. DPSM would specifically: validate the selection criteria for BIMS deployment; review the resourcing and strategic plan for the future sustainability of BIMS; establish a communication plan and stakeholder mapping; develop a plan of functional and technical support; and define a strategy for the interoperability between UNHCR biometrics systems. Recommendation 4 remains open pending receipt of the revised BIMS deployment and support strategy and communication plan.*

There was a need to provide further guidance, benchmarks and assistance to country operations on the use of BIMS

30. The UNHCR Policy on Biometrics in Refugee Registration and Verification Processes defines that biometrics should provide reliable identity authentication and prevent fraud. The Policy on the Protection of Personal Data of Persons of Concern to UNHCR requires that: (a) appropriate technical and organizational measures are put in place to maintain the confidentiality of personal data of persons of concern and prevent risks of accidental or unlawful destruction, loss, alteration, unauthorized disclosure, or access to personal data; and (b) data controllers in each country oversee the management and processing of personal data.

31. OIOS observed biometric registration in three of the five countries reviewed (India, Thailand, and DRC). These countries were familiarized with the setup and use of the equipment (laptops, cameras, fingerprint and iris scanners), and with the system itself. The verification and enrolment of identities was generally fast (2 to 3 minutes per person in DRC and Thailand, and a bit longer in India due to low internet connectivity and difficulties in capturing data of children). All five countries were generally satisfied with the system's performance and with the level of training and technical support provided by headquarters. The UNHCR Mission in India was providing refresher training to staff and the Representation in ROC had supported the deployment of BIMS in the neighbouring DRC which represented a good regional practice. The main problems reported by offices related to the fragility of iris scanners, and system failures due to fluctuations in the internet availability and repeated failed attempts to capture biometric data.

32. All five country operations visited by OIOS confirmed both assessed and predicted benefits with the use of BIMS, which included: reduction of duplicate records and increased accuracy of data of the population of concern; unequivocal verification of identities; prevention of fraud; and improved planning of operations and delivery of more targeted protection and assistance. The offices in DRC, India, ROC and Thailand added as important benefits the possibility of detecting movements of the population of concern between countries and camps or locations, the gains in goodwill of host governments, and the gains in credibility for donors and partners. For example, after the introduction of BIMS in India in July 2015, there was an increase of 16 per cent in the number of Long Term Visas issued by the host government to refugees (from 3,260 in June 2015 to 3,874 in June 2016), and the Rohingya population got Long Term Visas issued for the first time (253 cases). Long Term Visas legalized the permanence of refugees in India, and allowed access to work, education, and health services. In Thailand, the government allowed the capture of biometric data of unregistered population in camps. In ROC, banks started trusting UNHCR to confirm the identity of refugees and facilitating opening of bank accounts for them, and the authorities had slightly relieved discrimination against the Congolese refugees from DRC after prior suspicions against fake documentation.

33. Nonetheless, during OIOS observation of biometric registration activities and discussions with key staff in the country operations reviewed, the following operational gaps were identified in connection with the use of BIMS:

- a. Integration of BIMS in the business processes: All five countries reviewed were conducting continuous biometric registration of the population of concern, but only the Mission in India had fully integrated the use of BIMS - for biometric registration, identification, and verification of identities - into all its business processes (registration, refugee status determination, resettlement, and assessment of special needs) and had updated its local Standard Operating Procedures (SOPs) accordingly. The Representations in Chad and ROC had updated SOPs on continuous biometric registration, without integration of biometric identification of identities in other processes. Except for the Representation in Chad, none of the other country operations were using BIMS for identification of identities during distribution of assistance, and there was a need for guidance from headquarters on recommended practices and on operational integration of processes between UNHCR, other United Nations agencies and partners who were providing assistance on behalf of UNHCR.
- b. Monitoring and reporting: None of the country operations reviewed were using the standard available reports in BIMS to extract statistics and to monitor the quantity and quality of biometric data collected. The existing Jasper platform for BIMS reports was regarded as inadequate because it did not allow flexibility for the construction of reports and presented information in different formats from the ones normally used by the country operations for

statistics and reporting. The problem had been acknowledged at headquarters, and a new reporting platform was in the process of being rolled out.

- c. User management: The BIMS Administrators in the field were provided training on how to create users and roles in BIMS. However, the setup of local users in local servers had been done in the context of the deployment of the system by the BIMS deployment team, and despite the training received, the local Administrators did not perform maintenance of users. As a result, temporary users remained registered in local servers after the staff had already separated from service. Also, the system could not generate a report on users, roles and permissions assigned per server, for control purposes.
- d. Security of data and equipment: During the biometric verification exercise in DRC, OIOS noted that the local server was kept in an open compartment of the verification site. The Administrator was not present at all times next to the server, this location was also used by operators conducting quality control and printing refugee documentation, and it was accessible by all persons in the camp (refugees, partner staff, security guards, etc.). Even though biometric data stored in the server was encrypted and deleted once synchronized with the central server at headquarters, there were risks related to tampering and loss of data and loss of equipment (the unit cost of a server was \$4,100). In Thailand, during the registration process observed by OIOS, the Registration Assistant left the room several times, leaving the workstation unlocked. This practice could have allowed any of the persons remaining in the room to access and tamper with the case file of the person of concern.

34. As a result, country operations were not yet fully capitalizing on the use of BIMS for the delivery of assistance and protection to persons of concern and were not maximizing operational efficiencies and its contribution to fraud reduction objectives. There were also risks associated with inadequate access controls and loss or misuse of personal data of persons of concern.

**(5) The UNHCR Division of Programme Support and Management should more effectively follow up with country operations on their needs for support on the use of the Biometric Identity Management System and provide guidance, benchmarks and assistance on: (a) effective integration of BIMS with the country operations' business processes; (b) roll out of effective reporting tools and qualitative and quantitative monitoring requirements; and (c) user management and security of data and equipment.**

*UNHCR accepted recommendation 5 and stated that DPSM will: integrate BIMS support and process oversight in headquarters support processes; launch the new customizable reporting tool with guidance for technical and non-technical field users, together with the delivery of training; formulate and communicate a methodology for qualitative and quantitative BIMS implementation monitoring; in collaboration with DIST, produce an updated roles and responsibilities document covering all BIMS users; and issue instructions and guidelines on user management to assist in adherence to institutional security policies. Recommendation 5 remains open pending confirmation of the: (i) establishment of a monitoring process to support country operations in the use of BIMS; (ii) launch of the new reporting tool along with guidance on reporting requirements; and (iii) issuance of instructions on user management and security of data and equipment.*

## F. Data protection

### There was a need to develop operational guidelines on the implementation of the Policy on the Protection of Personal Data of Persons of Concern to UNHCR

35. According to the Policy on the Protection of Personal Data of Persons of Concern to UNHCR dated 27 May 2015 (the Policy), when collecting personal data (including biometric data), UNHCR is required to inform the data subject in a way understandable to him/her of the following: (a) the specific purpose for which the personal data will be processed; (b) whether the data will be transferred to third parties, or whether it is being collected by partners on behalf of UNHCR; (c) his/her obligation to provide complete and accurate information, to keep information updated, and the consequences for refusing or failing to provide the data, and; (d) his/her right of access to, correction or deletion of the data, and how to submit a complaint with UNHCR.

36. In four out of the five country operations reviewed, OIOS observed that the level of information provided to persons of concern during the biometric registration was below the standards required by the Policy. There were also inconsistencies in the information provided, particularly regarding the access to the data by third parties, as follows: (a) in DRC and Chad, the interview script included only a query on whether the refugees accepted that their personal information could be shared with the government or other UNHCR partners; (b) in Thailand, the interview script mentioned that UNHCR staff and the interpreter were obliged to confidentiality and that information provided by the person of concern would never be shared with anyone from the country of origin or other organization without the consent of the person of concern; and (c) in India, there were different procedures for the collection of biometric data, i.e., during the interview process it was said either that only the name and country of origin of the person of concern could be shared with the government, or that the data would be kept confidential.

37. With regard to the purpose of biometric registration, country operations generally transmitted that the collection of biometric data would protect the identity of the person of concern. Country operations that conducted large verification exercises normally organized prior campaigns in the media or through community leaders to inform about the exercise and to call out to the population. There was no evidence that the persons of concern were informed of their rights and obligations, for example through the distribution of leaflets or posting of visibility materials in registration sites.

38. Also, according to the Policy, UNHCR may transfer personal data to third parties, if the data is relevant for specific and legitimate purposes, and if the third party applies the same or a comparable level of data protection, confidentiality, and security as UNHCR. The data controller in the country operation should assess the level of data protection applied by the third party, which may require conducting a Data Protection Impact Assessment. Prior to transferring personal data to a third party, the data controller is required to sign a data transfer agreement, or incorporate data protection clauses within broader agreements.

39. In the country operations reviewed, OIOS observed instances of data sharing with host governments, partners, other United Nations organizations, and other third parties, which included electronic and physical transfers of data and direct access to UNHCR systems. The data sharing was normally covered by the standard UNHCR Project Partnership Agreement which included a standard confidentiality clause. The information accessed generally consisted of refugees' basic biographic and family composition information. There was a need for diagnosis of these occurrences organization-wide, and for guidance from headquarters, for example, on security requirements, on the creation of standard external user profiles, and on whether Data Protection Impact Assessments on the access of third parties to ProGres and/or BIMS should be conducted, and if so, whether it should be conducted at the country operation level or at the institutional level.

40. Further, in the opinion of OIOS, the following particular instances of data sharing required UNHCR's attention under the requirements of the Policy:

- a. The Representation in DRC shared with the Representation in Central African Republic lists of refugee students from that country residing in DRC, for later transmission to the government of the Central African Republic, which posed a potential protection risk to those students.
- b. The Representations in India and Thailand periodically shared with the respective host governments lists of refugees containing some of their personal data but without underlying assessments of the level of data protection applied by the respective governments and without data transfer agreements.
- c. The Representation in Thailand had a data sharing agreement in place with an operational partner dating back to 2005 for the provision of personal data of refugees from Myanmar for the purpose of assistance. This agreement included principles of confidentiality, respect of privacy, and protection of personal data, but the country operation had not conducted a specific assessment to confirm the level of data protection applied by the partner.

41. All five country operations reviewed during the audit had limited knowledge of the Policy, and/or considered it abstract and difficult to implement, due to lack of staff with sufficient technical capacity and political sensitivities. For example, there was a general misconception that "lists of names" did not constitute personal confidential information and could be shared. Contrary to the Policy requirement, DIP had also not yet compiled inventories of data sharing instances in the country operations, including data transfer agreements, to identify gaps and provide the advice required for compliance with the Policy. Since the recent implementation of BIMS increased the probability of requests of sharing of biometric data by host governments, there were risks related to inadequate data sharing arrangements, and the security and protection of persons of concern could also be compromised.

**(6) The UNHCR Division of International Protection should: (a) complement the Policy on the Protection of Personal Data of Persons of Concern to UNHCR with operational guidelines on its implementation, including the definition of minimum standards of information that need to be provided to persons of concern during data collection and detailed procedures on how and when to conduct Data Protection Impact Assessments; (b) in coordination with the Division of Programme Support and Management, conduct a diagnosis on data sharing practices in the field to identify gaps and to advise country operations on the need to review those practices in light of the Policy; and (c) provide training on the implementation of the Policy to all relevant staff.**

*UNHCR accepted recommendation 6 and stated that DIP, with the assistance of other Divisions/Services, has started developing the following guidelines and procedures: (i) UNHCR's Operational Guidelines for Data Protection; (ii) "Data Protection Tool Kit"; (iii) Guidance Note and Template for conducting Data Protection Impact Assessments; (iv) sample UNHCR Data Sharing Agreements; (v) integration of data protection into global registration procedures; (vi) global diagnosis (inventory) of data sharing practices in field operations; and (vii) mainstreaming data protection into existing UNHCR training programmes. Recommendation 6 remains open pending: (i) release of the Data Protection Toolkit; (ii) confirmation of the implementation of the diagnosis on data sharing practices in the field; and (iii) confirmation of the delivery of training on the implementation of the Policy.*

## V. ACKNOWLEDGEMENT

42. OIOS wishes to express its appreciation to the management and staff of UNHCR for the assistance and cooperation extended to the auditors during this assignment.

*(Signed)* Eleanor T. Burns  
Director, Internal Audit Division  
Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the Biometric Identity Management System at 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 Division of Information Systems and Telecommunications should establish a process for ongoing and future organization-wide information and communications technology projects that ensures that the required project reviews are conducted by the Portfolio Management Office in a timely manner to provide effective inputs for project continuity and decision making.	Important	O	Submission to OIOS of evidence of the process established to ensure that ICT project reviews are conducted in a timely manner.	31 March 2017
2	The UNHCR Division of Information Systems and Telecommunications should reinforce roles, responsibilities and processes to ensure adequate tracking and oversight of key decisions relating to information and communications technology projects.	Important	O	Submission to OIOS of evidence of processes put in place to ensure adequate tracking and oversight of key ICT project decisions.	31 March 2017
3	The UNHCR Division of Information Systems and Telecommunications, through its Portfolio Management Office, and for ongoing and future information and communications technology projects, should: (a) ensure that business cases include relevant metrics to allow the assessment of benefit realization and achievement of value for money of projects; and (b) enhance the Operational Review and Benefits Realization process, in coordination with the business owners.	Important	O	Submission to OIOS of evidence, with examples, that for new ICT projects: (a) objective criteria, indicators, and metrics were defined upfront in the business case; and (b) the Operational Reviews and Benefits Realization carried out included relevant inputs from project beneficiaries and other relevant stakeholders.	30 June 2017
4	The UNHCR Division of Programme Support and Management, in cooperation with the Division of Information Systems and Telecommunications, should strengthen the strategy for the global deployment and	Important	O	Submission to OIOS of the revised BIMS deployment and support strategy and communication plan.	30 September 2017

<sup>1</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or 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 UNHCR in response to recommendations.



## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the Biometric Identity Management System at 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>
	support of the Biometric Identity Management System, and establish overall targets, funding approaches, criteria for the selection of deployment countries, an approach for the replacement of or integration with other biometric systems, and an institutionally agreed plan for the implementation of the strategy.				
5	The UNHCR Division of Programme Support and Management should more effectively follow up with country operations on their needs for support on the use of the Biometric Identity Management System and provide guidance, benchmarks and assistance on: (a) effective integration of BIMS with the country operations' business processes; (b) roll out of effective reporting tools and qualitative and quantitative monitoring requirements; and (c) user management and security of data and equipment.	Important	O	Submission to OIOS of confirmation of the: (i) establishment of a monitoring process to support country operations in the use of BIMS; (ii) launch of the new reporting tool along with guidance on reporting requirements; and (iii) issuance of instructions on user management and security of data and equipment.	30 June 2017
6	The UNHCR Division of International Protection should: (a) complement the Policy on the Protection of Personal Data of Persons of Concern to UNHCR with operational guidelines on its implementation, including the definition of minimum standards of information that need to be provided to persons of concern during data collection and detailed procedures on how and when to conduct Data Protection Impact Assessments; (b) in coordination with the Division of Programme Support and Management, conduct a diagnosis on data sharing practices in the field to identify gaps and to advise country operations on the need to review those practices in light of the Policy; and (c) provide training on the implementation of the Policy to all relevant staff.	Important	O	Submission to OIOS of evidence of the: (i) release of the Data Protection Toolkit; (ii) implementation of the diagnosis on data sharing practices in the field; and (iii) delivery of training on the implementation of the Policy.	31 December 2017

# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of the Biometric Identity Management System at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Division of Information Systems and Telecommunications should establish a process for ongoing and future organization-wide information and communications technology projects that ensures that the required project reviews are conducted by the Portfolio Management Office in a timely manner to provide effective inputs for project continuity and decision making.	Important	Yes	Senior ICT Officer	31 March 2017	DIST will implement the recommendation.
2	The UNHCR Division of Information Systems and Telecommunications should reinforce roles, responsibilities and processes to ensure adequate tracking and oversight of key decisions relating to information and communications technology projects.	Important	Yes	Senior ICT Officer	31 March 2017	DIST will implement the recommendation.
3	The UNHCR Division of Information Systems and Telecommunications, through its Portfolio Management Office, and for ongoing and future information and communications technology projects, should: (a) ensure that business cases include relevant metrics to allow the assessment of benefit realization and achievement of value for money of projects; and (b) enhance the Operational Review and Benefits Realization process,	Important	Yes	Senior ICT Officer	30 June 2017	DIST will implement the recommendation.

<sup>1</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or 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 Biometric Identity Management System at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	in coordination with the business owners.					
4	The UNHCR Division of Programme Support and Management, in cooperation with the Division of Information Systems and Telecommunications, should strengthen the strategy for the global deployment and support of the Biometric Identity Management System, and establish overall targets, funding approaches, criteria for the selection of deployment countries, an approach for the replacement of or integration with other biometric systems, and an institutionally agreed plan for the implementation of the strategy.	Important	Yes	Chief of Section (Identity Management and Registration Section)	30 September 2017	<p>DPSM in collaboration with other Divisions will strengthen the global deployment and support strategy for BIMS, including but not limited to the following areas:</p> <ol style="list-style-type: none"> <li>1. The vision for UNHCR biometrics, with a view to achieve the benefits of biometric coverage across UNHCR operations for which BIMS plays a significant role;</li> <li>2. A gaps analysis of the current UNHCR biometrics landscape compared to the fulfilment of the vision described above;</li> <li>3. A strategic roadmap and timeline to deliver system benefits including interoperability and complimentary tool development.</li> <li>4. Organizational assessment of internal and external beneficiary management systems and potential inactions with UNHCR biometrics.</li> <li>5. An assessment of the current funding approach, identifying potential areas to explore in the future and detailing an array of possible options.</li> </ol> <p>Specifically for BIMS:</p> <ol style="list-style-type: none"> <li>1. Validation of the selection criteria for planning BIMS deployments</li> <li>2. Resourcing review and strategic plan for future sustainability of the system at HQ and field levels;</li> </ol>

## Management Response

## Audit of the Biometric Identity Management System at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						3. Communication plan including an agreed communications approach for UNHCR biometrics and BIMS specifically; stakeholder mapping; communication channel analysis; gaps analysis of existing communications plan vs the vision and a roadmap for the delivery; 4. Support plan: functional and technical support, considering deployment and longer term ongoing use; and 5. A vision and strategy and agreed plan for the interoperability between UNHCR biometrics systems, including a landscaping exercise to understand other areas of interoperability internal and external to UNHCR which may yield benefits to the overall UNHCR biometrics vision if developed.
5	The UNHCR Division of Programme Support and Management should more effectively follow up with country operations on their needs for support on the use of the Biometric Identity Management System and provide guidance, benchmarks and assistance on: (a) effective integration of BIMS with the country operations' business processes; (b) roll out of effective reporting tools and qualitative and quantitative monitoring requirements; and (c) user management and security of data and equipment.	Important	Yes	Chief of Section (Identity Management and Registration Section)	30 June 2017	DPSM will: 1. Integrate BIMS support and process oversight into HQ Field Support processes to support monitoring and quality assurance across country operations in the use of BIMS; 2. Launch the new customizable reporting tool with guidance for technical and non-technical field users, as well as delivering regional webinars and focused tutorial sessions to ensure knowledge transfer to field operations; 3. Formulate and communicate a methodology for qualitative and

## Management Response

## Audit of the Biometric Identity Management System at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>quantitative implementation monitoring including the use of benchmarks, benefits correlation and benefits realization tracking;</p> <p>4. Generate a comprehensive user management instructional documentation and guidelines to assist adherence to institutional security policies;</p> <p>In collaboration with DIST, DPSM will produce an updated roles and responsibilities document covering all users directly and indirectly using BIMS in respect of user management, data and equipment security, and administration.</p>
6	The UNHCR Division of International Protection should: (a) complement the Policy on the Protection of Personal Data of Persons of Concern to UNHCR with operational guidelines on its implementation, including the definition of minimum standards of information that need to be provided to persons of concern during data collection and detailed procedures on how and when to conduct Data Protection Impact Assessments; (b) in coordination with the Division of Programme Support and Management, conduct a diagnosis on data sharing practices in the field to identify gaps and to advise country operations on the need to review those practices in light of the Policy; and (c) provide training on the	Important	Yes	Senior Resource Manager	31 December 2017	<p>DIP with the assistance of other Divisions/Services, has started developing the following guidelines and procedures:</p> <ol style="list-style-type: none"> <li>1. Development of UNHCR's Operational Guidelines for Data Protection;</li> <li>2. Development and dissemination of a "Data Protection Tool Kit" to all field operations;</li> <li>3. Drafting of a Guidance Note and Template for conducting Data Protection Impact Assessments;</li> <li>4. Development of sample UNHCR Data Sharing Agreements;</li> <li>5. Integrating data protection into global registration procedures;</li> <li>6. Global diagnosis (inventory) of data sharing practices in field operations, for</li> </ol>

Management Response

Audit of the Biometric Identity Management System at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	implementation of the Policy to all relevant staff.					analysis of compliance with the Data Protection Policy; 7. Mainstreaming data protection into existing UNHCR training programmes;