



INTERNAL AUDIT DIVISION

REPORT 2018/033

Audit of the regional operations for Southern Latin America in Argentina for the Office of the United Nations High Commissioner for Refugees

There was a need to enhance regional oversight mechanisms, strengthen controls over the facilitation of establishment of efficient and effective asylum systems and procedures in the region, and address control deficiencies in livelihoods programmes, projects implemented through partners, and enterprise risk management

27 April 2018
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Audit of the regional operations for Southern Latin America in Argentina for the Office of the United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the regional operations for Southern Latin America in Argentina for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the UNHCR Regional Representation for Southern Latin America was managing and overseeing the delivery of services to persons of concern in the region in a cost-effective manner and in compliance with UNHCR's policy requirements. The audit covered the period from 1 January 2016 to 30 September 2017 and included a review of: (a) regional functions: coordination, support and oversight; (b) fair protection process and documentation; (c) livelihoods and self-reliance; (d) partnership management; (e) procurement and vendor management; and (f) enterprise risk management (ERM).

The Regional Representation took prompt action to determine the level and composition of its regional staffing, as a result of OIOS audit observation raised in this regard. However, there was a need for the Regional Representation to: (i) strengthen regional oversight mechanisms; (ii) strengthen controls over the facilitation of establishment of efficient and effective quality asylum systems and procedures in the region; (iii) strengthen controls over livelihoods programmes; (iv) enhance management of projects implemented through partners; and (v) strengthen ERM processes.

OIOS made five recommendations. To address issues identified in the audit, the Regional Representation needed to:

- Strengthen management oversight over the regional functions and establish: (i) target-oriented and risk-based annual mission plans and a mechanism for following up on recommendations raised in mission reports; and (ii) a system to monitor the time dedicated by staff with regional responsibilities for supporting the activities in the countries in the region;
- In coordination with partners, Governments and National Commissions on Refugees in the region, strengthen: (a) monitoring arrangements over the reception of persons of concern through development of appropriate standard operating procedures; and (b) controls over the facilitation of establishment of efficient and effective asylum systems and procedures;
- Strengthen management supervision and monitoring arrangements over livelihoods programmes and complete post-distribution monitoring of cash assistance provided, particularly for the seed capital provided for livelihoods programmes in Argentina;
- Enhance the process of identification and assessment of risks related to partnership management and strengthen monitoring of partners' project activities through a risk-based and multi-functional approach; and
- Establish due dates for implementation of the identified risk treatment measures and put in place procedures for active monitoring of priority risks.

Following suitable action taken by the Regional Representation, four recommendations were closed. The Regional Representation has initiated action to implement the one remaining recommendation.

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Audit of the regional operations for Southern Latin America in Argentina 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 UNHCR regional operations for Southern Latin America in Argentina for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The role of UNHCR in the Southern Latin America region is to co-operate with the governments in the region and facilitate international protection and humanitarian assistance for refugees and other persons of concern. UNHCR's strategic priorities in the region relate to: strengthening favourable protection environment; building capacities of governments and partners; and identifying durable solutions through local integration in alignment with the Brazilian Plan of Action (BPA) 2014. The BPA is a framework for cooperation and regional solidarity to strengthen the international protection of refugees, displaced persons and stateless persons in the Latin America and the Caribbean regions. The programme in the Southern Latin America region is implemented by the UNHCR Regional Representation based in Argentina (hereinafter referred to as 'the Regional Representation').
3. The Regional Representation was established in 1965 and it covers six countries: Argentina, Bolivia, Chile, Paraguay, Peru and Uruguay. The Regional Representation has office presence in Argentina, Chile and (since September 2017) Peru. The operations in the other three countries are covered through partners and monitoring missions by the Regional Representation's staff. As part of its regional role, the Regional Representation maintains the overall resource management and oversight functions and coordinates the implementation of the programmes in the region. Additionally, the Regional Representation works closely with the UNHCR Representation in Brazil on common operational objectives, particularly those related to the BPA.
4. The Regional Representative for Southern Latin America was at the level of D-1 and reported to the Director, Regional Bureau for the Americas at UNHCR headquarters in Geneva. As of September 2017, the Regional Representation had 29 regular posts, including four international posts. Its expenditure in 2016 was \$3.3 million, while in 2017 its expenditure, until 30 September, amounted to \$3.5 million. The Regional Representation worked with eight partners in 2016 and 2017 through which it spent about 72 per cent of its total programme expenditures.
5. Comments provided by the Regional Representation are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess whether the Regional Representation for Southern Latin America was managing and overseeing the delivery of services to persons of concern in the region in a cost-effective manner and in compliance with UNHCR's policy requirements.
7. The audit was included in the 2017 risk-based internal audit work plan of OIOS due to risks associated with UNHCR's facilitation of efficient and effective asylum systems and procedures and implementation of local integration strategies in the region within the framework of the BPA 2014.
8. The audit was conducted from September to December 2017. The audit covered the period from 1 January 2016 to 30 September 2017. Based on an activity-level risk assessment, the audit covered the

following higher risk areas: (a) regional functions: coordination, support and oversight; (b) fair protection process and documentation; (c) livelihoods and self-reliance; (d) partnership management; (e) procurement and vendor management; and (f) enterprise risk management (ERM).

9. The audit methodology included: (a) interviews of key personnel; (b) review of relevant documentation; (c) analytical reviews of data, including financial data from Managing for Systems, Resources and People (MSRP), the UNHCR enterprise resource planning system, and performance data from Focus, the UNHCR results-based management system; (d) review of data extracted from proGres, the UNHCR enterprise registration tool; (e) sample testing of controls; (f) visits to the Regional Representation in Buenos Aires, the offices of three partners, and selected project sites related to livelihoods programmes.

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

III. AUDIT RESULTS

A. Regional functions: coordination, support and oversight

There was a need to strengthen the regional oversight function and establish a system for monitoring the time dedicated by staff for regional responsibilities

11. To better respond to the needs of persons of concern in the region the Regional Representation should: (a) clarify the level of its engagement and distinction of its roles and authority vis-a-vis the country operations under its coverage; (b) establish an organizational structure in line with the strategic objectives of UNHCR in the region; (c) prepare an integrated regional work plan clarifying the role in support, coordination and oversight for each regional function; (d) justify missions to the countries in the region by preparing terms of reference and a travel budget for each mission; and (e) ensure robust oversight of the activities of the country operations under its purview.

12. The Bureau for the Americas had formally delegated authority to the Regional Representative who in turn further delegated it to the National Officer in UNHCR's Chilean National Office. OIOS concluded that the distinct roles and authorities in the region were appropriately clarified.

13. The Regional Representation prepared annual plans for support and oversight missions to the country operations under its purview and shared the mission reports among its staff. It undertook 124 missions in 2016 and planned to have 163 missions during 2017 out of which 121 had been undertaken by September 2017. However, the annual mission plans did not contain the purpose of the missions and were not target-oriented and risk based. Also, while the Regional Representation updated the annual mission plans at the end of every year, this practice did not provide assurance on whether the planned objectives were met. Additionally, the Regional Representation did not establish a mechanism to ensure that the regional staff were following up on implementation of the recommendations raised in the mission reports and that outstanding issues were brought to management's attention. The mission reports did not systematically include information on the implementation of recommendations raised in previous mission reports.

14. Furthermore, the Regional Representation did not put in place a mechanism for monitoring whether staff with regional functions had allocated 75 per cent of their time for coordination, support and oversight activities in the countries other than the country where the position was located, as required under the UNHCR Policy on Regionalisation.

15. In the opinion of OIOS, the root cause of the cited weaknesses was inadequate management oversight over the activities of the country operations. In consequence, there was a risk that the Regional Representation might not be able to achieve its strategic objectives or meet its policy compliance requirements in the region, thus also involving reputational risks for UNHCR and potential waste of resources.

(1) The UNHCR Regional Representation for Southern Latin America should strengthen management oversight over the regional functions and establish: (i) target-oriented and risk-based annual mission plans and a mechanism for following up on recommendations raised in mission reports; and (ii) a system to monitor the time dedicated by staff with regional responsibilities for supporting the activities in the countries in the region.

UNHCR accepted recommendation 1 and stated that the Regional Representation had: prepared a target oriented and risk based mission plan for 2018; developed a tracking sheet for monitoring the time devoted by the staff with regional responsibilities to the country operations in the region in line with the work plan; and established a mechanism for following up on the recommendations raised during the previous mission reports. Based on the action taken and documentation provided by UNHCR, recommendation 1 has been closed.

Action was taken to determine the level and composition of regional staffing

16. The UNHCR Organizational Development and Management Service had undertaken a staffing review of the Regional Representation in 2014. However, subsequent to the review the volume of the Regional Representation's operations had increased considerably as evident from the increase in the number of persons of concern from 10,431 in 2015 to 28,887 as at September 2017. At the same time, the expenditure on staffing decreased from 43 per cent in 2015 to 32 per cent in 2017. Additionally, effective July 2017, the Regional Representation discontinued the post of the Senior Regional Protection Officer. As a result, national staff were tasked with regional level protection functions, which was not allowed by the UNHCR Policy on Regionalization. The Regional Representation explained that it had already initiated efforts to establish an appropriate staffing structure to address this issue. However, OIOS noted that the Regional Representation had not conducted an accurate staffing needs assessments at the time of preparation of the annual budget and regional operations plan. This had resulted in an inappropriate balance of international and national staff.

17. Whilst the audit was still ongoing, the Regional Representation, in co-ordination with the Regional Bureau for Americas, initiated efforts to establish an appropriate staffing structure to address this issue. This included: (i) inclusion of the post of Regional Protection Officer in the organigramme; and (ii) creation of a post of Regional Programme Officer and a post of Regional Administration/Finance Officer. Based on the action taken, OIOS did not raise a recommendation.

B. Fair protection process and documentation

There was a need to strengthen controls over facilitation of the establishment of efficient and effective asylum systems and procedures in the region

18. In order to receive persons of concern in an orderly and dignified manner, the Regional Representation is required to: (i) ensure that appropriate reception conditions are maintained for persons of concern, including in the immediate period following their arrival in the country of asylum; (ii) undertake registration and profiling of persons of concern and, where applicable and appropriate, conduct

Refugee Status Determination (RSD) while ensuring confidentiality and respect for the applicable international legal standards; (iii) deploy competent and adequately trained staff to facilitate fair protection process and documentation; develop standard operating procedures for the activities related to fair protection process and documentation, and monitor these activities continuously; (iv) ensure data integrity, physical security and safe storage of records; and (v) establish anti-fraud controls for the activities related to fair protection process and documentation.

19. In accordance with its protection strategy, and aligned with the BPA, the Regional Representation supported the Governments in the region in facilitating the establishment of efficient and effective asylum systems and procedures and providing durable solutions through: advocacy; work planning through the National Commissions on Refugees, known as CONAREs; capacity building; and identification of solutions to gaps identified in the asylum procedures through the Quality Assurance Initiative, a multi-year evaluation exercise in four phases undertaken with the help of consultants recruited by the Regional Representation. Through its multiple partners, the Regional Representation maintained reception centres in the urban areas. The number of asylum seekers had increased from 12,102 as at December 2016 to 28,887 in September 2017 while the recognised refugees as at 31 December 2016 and 30 September 2017 amounted to 428 and 164, respectively.

20. Notwithstanding the sustained advocacy efforts made by the Regional Representation in establishing quality asylum systems and procedures, OIOS noted a need for further improvement in the following areas:

- **Reception conditions at the borders:** According to its protection strategy, the Regional Representation was required to establish a monitoring mechanism and develop standard operating procedures to monitor detention at the airports and access to asylum procedures by the end of 2016. However, it did not implement these activities, except for the country operation in Peru.
- **Reception conditions in the urban areas:** The Regional Representation did not ensure that one of its partners maintained adequate visibility of UNHCR activities, including displaying public information in a reception centre, and that the partner shared vulnerability information of persons of concern with the Regional Representation for use in programme planning. Two other partners had not established a complaints monitoring system in their reception centres.
- **Joint work planning with CONAREs:** The joint work plans prepared by the CONAREs of Bolivia, Paraguay and Uruguay did not contain measurable and clearly articulated targets indicating the number of asylum seekers to be registered or a provision that asylum applications should be processed within a prescribed timeframe targeting the backlog in RSD. Additionally, the CONARE in Argentina did not develop any work plans while the Government of Chile had not approved the CONARE work plan for Chile for 2015-16. This resulted in a significant backlog in RSD undertaken by the governments in the region. For example, 30 per cent of the pending RSD cases for Argentina dated back to 2015 and previous years.
- **Information systems and procedures:** The CONAREs of Argentina, Bolivia, and Chile had established database management systems for maintaining information on persons of concern; however, the CONAREs of Paraguay, Peru and Uruguay did not have structured information systems consistent with the regional standards. Furthermore, the Regional Representation did not advocate adequately to ensure that staff of the different CONAREs used the updated country-of-origin information for RSD and that they had adequate capacity to analyse and process such information.
- **Monitoring the quality of asylum systems:** The country operations in Argentina, Chile, Bolivia and Peru had undertaken a gap analysis for the Quality Assurance Initiative, but the prioritised recommendations were not implemented at the time of the audit. The Regional Representation had yet to ensure that the country offices in Paraguay and Uruguay had adopted the Quality

Assurance Initiative framework, while in Bolivia, the recommendations of the initial phase were not finalised and implemented.

21. The Regional Representation attributed these weaknesses to the constraints in obtaining the required support from the respective CONAREs and high turnover of their staff members. OIOS, however, noted that although the Regional Representation had recognised the need for establishment of efficient and effective asylum systems and procedures in the region as its key priority in its protection strategy, this activity did not receive sufficient managerial attention; particularly in the absence of a Senior Regional Protection Officer to provide sustained oversight. Consequently, the Regional Representation was not able to ensure that persons of concern in the region had access to quality asylum systems and procedures.

(2) The UNHCR Regional Representation for Southern Latin America, in coordination with its partners, Governments and respective National Commissions on Refugees in the region should strengthen: (a) its monitoring arrangements over the reception of persons of concern through development of appropriate standard operating procedures; and (b) controls over the facilitation of establishment of efficient and effective asylum systems and procedures.

UNHCR accepted recommendation 2 and provided a status of the implementation of the Quality Assurance Initiative in the four countries involved in the initiative (Argentina, Chile, Bolivia, Peru). UNHCR also stated that, since 2015/2016, after the adoption of the BPA, it had been considerably advocating with the CONAREs for the development of working plans as a way to disseminate the BPA among authorities and as a tool to plan concrete actions at the national level. The advocacy efforts had not met success because of the limited interest of CONAREs in these planning tools. In consideration of the high residual risk of lack of a targeted approach to liquidate the existing backlog in RSD and its impact in the region, OIOS encourages UNHCR to maintain sustained advocacy with the respective Governments to facilitate efficient and quality asylum systems through joint work planning. Recommendation 2 remains open pending receipt of evidence of appropriate target oriented work plans developed and approved in the region.

C. Livelihoods and self-reliance

The Regional Representation needed to strengthen controls over its livelihoods programmes

22. In order to ensure the effective and efficient delivery of livelihoods activities, it is essential that UNHCR operations: (a) adequately plan and design the implementation of livelihoods activities; (b) have access to the requisite livelihoods expertise; (c) ensure that livelihoods partners have the relevant experience and skills to implement livelihoods projects; (d) monitor and report on the expenditures, performance and impact of livelihoods programmes; and (e) establish an exit strategy. These broad requirements are promulgated in the Operational Guidelines on the Minimum Criteria for Livelihoods Programming and UNHCR Operational Guidelines for Livelihoods Programming.

23. During the period under review, the Regional Representation, through nine Project Partnership Agreements (PPAs) concluded with seven partners, provided cash assistance worth \$92,419 to 1,471 vulnerable persons of concern to cover their basic needs and as seed capital for establishing small business enterprises. The Regional Representation constituted a multi-functional committee for reviewing the applications received from persons of concern for seed capital; developed vulnerability criteria and regional standard operating procedures; and undertook financial and performance monitoring of livelihoods projects implemented by partners. The Regional Representation had a dedicated livelihoods expert post since October 2016.

24. OIOS review of a random sample of seven applications of beneficiaries that involved payment of cash worth \$5,000 for seed capital and visits to the premises of two partners and three beneficiaries indicated that the Regional Representation did not:

- Finalize a market assessment for the livelihoods programmes, although it had initiated efforts to undertake such an assessment, in order to be able to prepare a livelihoods strategy based on the results of the assessment;
- File the minutes of the multi-functional committee and the supporting documents consistently; for example, in two cases there was no documented vulnerability criteria of the beneficiaries selected;
- Undertake post-distribution monitoring in Argentina and Peru where seed capital was provided to assess whether the provision of seed capital for the livelihoods programmes was effective; and
- Develop an exit strategy for the livelihoods programmes.

25. In the opinion of OIOS, the Regional Representation, despite its experience in providing cash assistance for livelihoods activities since 2015 and despite prioritizing this sector in its protection strategy, did not exercise sufficient management supervision and monitoring over this activity. Consequently, it was exposed to the risk of not targeting the right beneficiaries. In addition, there was a risk that persons of concern would remain dependent on humanitarian aid for an extended period. Whilst the audit was still ongoing, the Regional Representation updated its standard operating procedures which included procedures for provision of seed capital and an exit strategy for livelihoods programmes. The revised procedures also contained a requirement for decisions leading to the selection of beneficiaries to be documented. In addition, the Regional Representation took prompt action to conduct a market assessment, undertake post-distribution monitoring in Peru, and develop a monitoring system for tracking the cash assistance provided.

(3) The UNHCR Regional Representation for Southern Latin America should strengthen its management supervision and monitoring arrangements over livelihoods programmes and complete post-distribution monitoring of cash assistance provided, particularly for the seed capital provided for livelihoods programmes in Argentina.

UNHCR accepted recommendation 3 and stated that the Regional Representation had: (i) completed the market assessment for the livelihoods programmes implemented in Argentina and Peru, and the report in respect of the Chile operation would be ready by mid-March 2018; (ii) created a folder to store the minutes of the multi-functional assistance committee and the supporting documents for each case; and (iii) carried out post-distribution monitoring in respect of the seed capital provided in Argentina and Peru. Based on the action taken and documentation provided by UNHCR, recommendation 3 has been closed.

D. Partnership management

There was a need to strengthen controls over management of projects implemented through partners

26. In order to achieve the expected project results through the use of partners, it is essential to: (i) select or retain partners through a process with adequate objectivity, transparency, consistency and timeliness; (ii) sign well developed project agreements with partners and transfer instalments to them in a timely manner; (iii) monitor the project activities and expenditures through a risk-based and multi-functional approach; and (iv) arrange for building capacity of partners as and when necessary. These requirements are also promulgated in the UNHCR Enhanced Framework for Implementing with Partners

and various supporting policies and administrative instructions, with the aim to support accountability over UNHCR resources entrusted to partners, and to manage the associated risks including fraud risks.

27. The Regional Representation concluded 15 PPAs during the period under review with a total expenditure of \$861,759 in 2016. It further budgeted \$733,725 for partner projects in 2017. It entrusted its partners with procurement for a total of \$256,592 in 2016 and 2017 combined. It signed the PPAs generally before commencement of the project years, trained its partners in project management related activities, and undertook financial and performance monitoring of partners' project activities through joint monitoring plans.

28. The Regional Representation constituted an Implementing Partnership Management Committee (IPMC) in August 2014. The IPMC conducted two partner selection exercises in November 2014 for the 2015 and 2016 programme cycles and recommended seven partners for selection, which were approved by the Regional Representative. In November 2016, based on a desk review vetted by the IPMC, the Regional Representation retained the same seven partners for the 2017 programme cycle. OIOS concluded that the Regional Representation had followed a due process for selection and retention of partners during the period under review.

29. Nonetheless, OIOS review of the adequacy of the Regional Representation's project monitoring arrangements, which included visits to three partners, indicated that the Regional Representation did not:

- Assess the capacity of partners to procure before signing the project agreements with them;
- Constitute a team for monitoring partners' project activities using a multi-functional approach. For example, the Regional Livelihoods Officer and the Durable Solutions Officer were not involved in the performance monitoring of the activities of the partners responsible for livelihoods activities as expected;
- Ensure that two partners involved in providing cash based interventions worth \$38,588 had developed vulnerability criteria for the cash payments; and
- Ensure that another partner involved in the provision of hotel accommodation for persons of concern worth \$24,349 ensured competitiveness of the rates at which it paid the hotels. There was also no evidence that the partner regularly shared refugee vulnerability information with the Regional Representation for programme planning purposes.

30. The main reason for the cited weaknesses was that the Regional Representation did not identify and prioritize the controls required to address the risks inherent in partnership management, particularly the risks associated with remote monitoring of project activities in locations where it had limited or no presence. Thus, the Regional Representation was at a risk of not being able to obtain best value from projects implemented through its partners. Whilst the audit was ongoing, the Regional Representation constituted a multi-functional team to undertake monitoring of the project activities through a risk-based approach and established a system for assessing the partners' capacity to procure. It also developed a vulnerability criteria guide for the provision of cash based interventions.

(4) The UNHCR Regional Representation for Southern Latin America should enhance the process of identification and assessment of risks related to partnership management and strengthen monitoring of the partners' project activities through a risk-based and multi-functional approach.

UNHCR accepted recommendation 4 and stated that the Regional Representation had: (i) assessed the capacity of the partners to procure before signing projects agreements with them; and (ii) ensured competitiveness of the rates followed by a partner for providing hotel accommodation to the

persons of concern. Based on the action taken and documentation provided by UNHCR, recommendation 4 has been closed.

E. Procurement and vendor management

The procurement and vendor management processes were working as intended

31. In order to ensure the integrity of the procurement process and that UNHCR receives value for money for the acquisition of goods and services to support its operations, it is essential to: (i) prepare an annual procurement plan according to identified needs; (ii) establish an effective vendor management system, including a Vendor Review Committee; (iii) initiate timely procurement activities in accordance with the procurement plan; and (iv) ensure adequate oversight over the procurement activities by establishing a Local Committee on Contracts (LCC) or Regional Committee on Contracts.

32. The Regional Vendor Review Committee, established in June 2014 and updated regularly, held 24 meetings during the period under review. It had identified duplicate records of four vendors and 65 inactive vendors in its vendor database and ensured that inactive vendors were deactivated. Whilst the audit was still ongoing, the Regional Representation liaised with UNHCR headquarters to delete all duplicate records of vendors. The Regional Representation had total procurement expenditure of \$718,308 during the period under review. It had a LCC to review and approve procurements exceeding \$20,000. OIOS review indicated that the Regional Representation generally followed the UNHCR procurement rules and procedures. Nevertheless, there was an opportunity to further enhance its procurement processes through recording in sufficient detail the decisions taken in the minutes of the meetings of its LCC. However, as the procurement processes were working as intended, OIOS did not raise a recommendation.

F. Enterprise risk management

There was a need to strengthen the enterprise risk management processes

33. In order to effectively manage risks to its operational objectives, the Regional Representation needs to: (i) understand its operational context; (ii) identify its key risks; (iii) analyse and evaluate these risks; and (iv) develop and implement a plan to treat these risks. The Regional Representation also needs to monitor and report on its risk management processes and ensure that these processes are communicated and that relevant key staff are effectively trained and consulted. This should be done in accordance with the UNHCR ERM Framework to ensure consistency across the organization.

34. The Regional Representation completed an initial risk assessment in 2015 and reviewed it in March 2017. At the time of the audit, the Regional Representation's risk register included 15 risks out of which four risks had been prioritised. It analysed and evaluated the risks in a logical manner in accordance with the ERM Framework. It had appointed a risk management focal point who had trained other staff of the Regional Representation. However, OIOS review of the ERM procedures indicated the following areas for improvement:

- Although the Regional Representation in its protection strategy had identified its main priority as 'achieving a favourable environment through ensuring quality asylum systems in the region to ensure that refugees fulfil their potential of local integration and self-reliance', it did not identify any risks related to this activity in its risk register, as would have been expected.

- The Regional Representation did not identify and indicate emerging risks in a timely manner in its risk register. For example, it did not reflect in the risk register risks associated with the increasing number of Venezuelan refugees arriving and approaching the asylum/migration systems in the countries in the region. OIOS noted that the Regional Representation had acted upon this activity through coordination with the Bureau for the Americas and the respective Governments, but encouraged the Regional Representation to also consider including related risks in its risk register and actively monitoring them.
- The Regional Representation had not: (i) assigned focal points for managing the prioritised risks; (ii) established due dates for implementation of risk treatment measures for the prioritised risks; and (iii) put a process in place to regularly review and monitor the four prioritised risks.
- The Regional Representation did not communicate the risks identified in its risk register to its staff to ensure that they were aware of them for necessary mitigation action and compliance.

35. The main reason for the above shortcomings was inadequate monitoring of the risk management activities. As a result, risk management activities of the Regional Representation may remain non-aligned with its strategic priorities. Whilst the audit was ongoing, the Regional Representation constituted a committee to review the adequacy of the risk management procedures in place with a mandate to meet on a quarterly basis and share the results with all staff. The committee, in its first meeting, prioritised certain risks based on a review of the risk register and identified focal points for the risks identified.

(5) The UNHCR Regional Representation for Southern Latin America should establish due dates for implementation of the risk treatment measures and put in place procedures for active monitoring of priority risks.

UNHCR accepted recommendation 5 and stated that the Regional Representation had: identified the risk treatment measures, including monitoring measures, for the risks identified; communicated the risks to the staff responsible for them; and established the due dates for implementation of the prioritized risks. Based on the action taken and documentation provided by UNHCR, recommendation 5 has been closed.

IV. ACKNOWLEDGEMENT

36. 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
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 Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the Regional Operations for Southern Latin America in Argentina for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The UNHCR Regional Representation for Southern Latin America should strengthen management oversight over the regional functions and establish: (i) target-oriented and risk-based annual mission plans and a mechanism for following up on recommendations raised in mission reports; and (ii) a system to monitor the time dedicated by staff with regional responsibilities for supporting the activities in the countries in the region.	Important	C	Action completed	Implemented
2	The UNHCR Regional Representation for Southern Latin America, in coordination with its partners, Governments and respective National Commissions on Refugees in the region should strengthen: (a) its monitoring arrangements over the reception of persons of concern through development of appropriate standard operating procedures; and (b) controls over the facilitation of establishment of efficient and effective asylum systems and procedures.	Important	O	Submission to OIOS of documentary evidence of appropriate target oriented work plans developed and approved in the region.	30 June 2018
3	The UNHCR Regional Representation for Southern Latin America should strengthen its management supervision and monitoring arrangements over livelihoods programmes and complete post-distribution monitoring of cash assistance provided, particularly for the seed capital provided for livelihoods programmes in Argentina.	Important	C	Action completed	Implemented

¹ 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.

² 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.

³ C = closed, O = open

⁴ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

**Audit of the Regional Operations for Southern Latin America in Argentina for the Office of the
United Nations High Commissioner for Refugees**

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
4	The UNHCR Regional Representation for Southern Latin America should enhance the process of identification and assessment of risks related to partnership management and strengthen monitoring of the partners' project activities through a risk-based and multi-functional approach.	Important	C	Action completed	Implemented
5	The UNHCR Regional Representation for Southern Latin America should establish due dates for implementation of the risk treatment measures and put in place procedures for active monitoring of priority risks.	Important	C	Action completed	Implemented

APPENDIX I

Management Response

Management Response

**Audit of the Regional Operations for Southern Latin America in Argentina 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 Regional Representation for Southern Latin America should strengthen management oversight over the regional functions and establish: (i) target-oriented and risk-based annual mission plans and a mechanism for following up on recommendations raised in mission reports; and (ii) a system to monitor the time dedicated by staff with regional responsibilities for supporting the activities in the countries in the region.	Important	Yes	Regional Representative	27 March 2018	In addition to previous evidence documents shared: (i) please find attached a Memorandum issued by the Regional Representative establishing the follow-up mechanism for mission reports; (ii) please also find attached samples of consecutive mission reports to Paraguay and Peru.
2	The UNHCR Regional Representation for Southern Latin America, in coordination with its partners, Governments and respective National Commissions on Refugees in the region should strengthen: (a) its monitoring arrangements over the reception of persons of concern through development of appropriate standard operating procedures; and (b) controls over the facilitation of establishment of efficient and	Important	Yes	Regional Representative	30 June 2018	Please find attached an updated matrix (March 2018) with the status of the implementation of the Quality Assurance Initiative in the four countries involved in the initiative (Argentina, Chile, Bolivia, Peru). Paraguay has indicated that they will be joining the QAI soon. Uruguay, till now, has opted to remain out of it. Since 2015/2016, after the adoption of the Brazil Plan of Action, UNHCR has been considerably advocating with the CONAREs for the development of working plans as a way to disseminate

⁵ 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.

⁶ 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.

	effective asylum systems and procedures.					among authorities the Brazil Plan of Action and as a tool to plan concrete actions at the national level. The advocacy efforts have not met success because of the limited interest of CONAREs in these planning tools.
3	The UNHCR Regional Representation for Southern Latin America should strengthen its management supervision and monitoring arrangements over livelihoods programmes and complete post-distribution monitoring of cash assistance provided, particularly for the seed capital provided for livelihoods programmes in Argentina.	Important	Yes	Regional Livelihoods Officer	1 March 2018	Closure of recommendation well noted.
4	The UNHCR Regional Representation for Southern Latin America should enhance the process of identification and assessment of risks related to partnership management and strengthen monitoring of the partners' project activities through a risk-based and multi-functional approach.	Important	Yes	Regional Senior Programme Officer	1 March 2018	Closure of recommendation well noted.
5	The UNHCR Regional Representation for Southern Latin America should establish due dates for implementation of the risk treatment measures and put in place procedures for active monitoring of priority risks.	Important	Yes	Regional Senior Programme Officer	27 March 2018	In addition to previous evidence documents shared, please find attached a Memorandum that includes established due dates for the implementation of risk treatment measures for Regional Office Argentina's prioritized risks.