



INTERNAL AUDIT DIVISION

REPORT 2019/133

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

**There were control weaknesses in the
arrangements for planning and resource
allocation, resettlement, repatriation and
reintegration, shelter and settlement, and
safe and sustainable access to energy**

**19 December 2019
Assignment No. AR2019/111/04**

Audit of the operations in Burundi 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 operations in Burundi for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the Representation was managing the delivery of services to its persons of concern (PoCs) in a cost-effective manner and in accordance with UNHCR's policy requirements, with due regard to the risks that it was exposed to in the context in which it was operating. The audit covered the period from 1 January 2018 to 30 June 2019 and included a review of: (i) planning and resource allocation; (ii) resettlement; (iii) repatriation and reintegration; (iv) shelter and settlement; and (v) safe and sustainable access to energy.

There was a need for the Representation to enhance its management oversight by developing strategies and standard operating procedures (SOPs) to direct its repatriation and reintegration, shelter and settlement, resettlement and access to energy programmes which, if unaddressed, could adversely impact the achievement of its objectives. The Representation also needed to strengthen its planning and resource allocation processes, verify its population data and deploy key UNHCR systems to effectively deliver services to PoCs. Furthermore, the Representation needed to address control deficiencies in programme implementation and strengthen its monitoring of partners, so they remain on track in supporting the achievement of strategic objectives. In general, there was a need for the Representation to strengthen its control environment by complying with policies and instituting actions to mitigate key risks it is exposed to.

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

- Identify funding for the verification of PoCs and the deployment of the ProGres version 4 (the UNHCR enterprise registration tool) and biometric identity management systems to support the effective delivery of services;
- Strengthen programme performance management, including but not limited to partner accounting and monitoring; and develop relevant strategies to support the prioritization of interventions in a resource constrained environment;
- Update resettlement SOPs; assess resettlement cases in accordance with UNHCR guidance to support identification of refugees for resettlement; and fully implement the anti-fraud policy;
- Develop and update repatriation and reintegration strategies, SOPs and tools, including but not limited to reintegration plans, practical modalities to meet the needs of returnees, and proper record keeping to support the repatriation process;
- Finalize the cash-based interventions strategy and SOPs guided by a feasibility study; and strengthen controls over receipt, distribution and accountability for non-food items in accordance with UNHCR rules;
- Develop a shelter strategy and SOPs informed by a needs assessment and environmental studies to guide the implementation of the strategy; and strengthen oversight of construction activities to ensure that projects are executed in a cost-effective manner; and
- Develop a strategy and SOPs for safe and sustainable access to energy, informed by a needs assessment.

UNHCR accepted the recommendations. It took prompt action to implement two of them and initiated action to implement the five other recommendations.

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I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in Burundi for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The UNHCR Representation in Burundi (hereinafter referred to as ‘the Representation’) was established in 1964 to provide persons of concern (PoCs) with international protection, humanitarian assistance and durable solutions, where feasible. By March 2019, the Representation was assisting 71,507 registered refugees and 5,670 new asylum seekers, primarily from the Democratic Republic of the Congo (DRC) and 139,643 internally displaced persons (IDPs). Approximately, 63 per cent of the refugees lived in five camps and 37 per cent were in Bujumbura.
3. Following the 2015 election, 400,000 Burundians left the country with an average of 300 per month estimated as continuing to flee the country in 2018. However, more than 70,000 refugees returned to Burundi between September 2017 and June 2019, pulled by the wish to return home but also pushed by the hardship experienced in the countries of refuge. While overall security improved in Burundi, reports of human rights concerns persisted, with the Representation facilitating those refugees who indicated they were making an informed choice to voluntarily return. The Representation recorded total expenditure of \$27 million in 2018. As at 30 June 2019, the budget stood at \$17.6 million with recorded expenditure of \$7 million.
4. The Representation was headed by a Representative at the D-1 level and it had, at the time of the audit, 144 positions, of which 4 were vacant and 39 were on temporary assignment. It had a Branch Office in Bujumbura, a Sub Office in Ruyigi and two field offices in Muyinga and Makamba. The Representation worked with eight partners in the period under audit. These partners implemented 62 per cent of the Representation’s programme related expenditures in the audit period.
5. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess whether the Representation was managing the delivery of services to its PoCs in a cost-effective manner and in accordance with UNHCR’s policy requirements, with due regard to the risks that it was exposed to in the context in which it was operating.
7. This audit was included in the 2019 risk-based work plan of OIOS due to the risks related to the size and complexity of the operations in Burundi.
8. OIOS conducted this audit from June and September 2019. The audit covered the period from 1 January 2018 to 30 June 2019. Based on an activity-level risk assessment, the audit covered the following higher risk areas: (i) planning and resource allocation; (ii) resettlement; (iii) repatriation and reintegration; (iv) shelter and settlement; and (v) safe and sustainable access to energy. In reviewing these areas, the audit also undertook limited testing in: partnership management; procurement and vendor management, cash-based interventions (CBI), distribution of non-food items (NFIs), and financial management. Through review of the above-mentioned areas, OIOS also drew overall conclusions about the control environment and the effectiveness of enterprise risk management (ERM) in the Representation.

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, performance data from Focus, the UNHCR results-based management system and PoCs data from ProGres, the UNHCR enterprise registration tool; (d) sample testing of controls; (e) visits to UNHCR offices in Bujumbura, Ruyigi, Muyinga and Makamba and three partner offices; and (f) observation of programme activities in five refugee camps, six transit centers and three communities where returnees resettled.

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

III. AUDIT RESULTS

A. Planning and resource allocation

There was a need to verify population data and strengthen strategic planning and programme performance

11. The Representation is one of UNHCR's least funded operations. To manage the risk of failure in providing vital assistance to PoCs which could increase their vulnerability, it was essential for the Representation to ensure that: (a) goals and objectives were prioritized, aligned to UNHCR's global strategic priorities and informed by timely and reliable data on the PoCs; (b) protection and operational strategies were defined; and (c) required outputs and activities were defined and budgets allocated.

12. The Representation undertook a needs assessment to inform its planning processes. Considering the known resource constraints, the needs assessment report did not support the prioritisation of assistance to PoCs since it lacked a detailed analysis of identified areas of concern. The Representation had a multi-year multi-partner protection and solutions strategy (MYMPPSS) which provided its long-term vision. It however lacked strategies to: (i) operationalize the vision stipulated in the MYMPPSS; and (ii) support the prioritization of needs so strategic objectives would be met in a resource constrained environment. The Representation therefore only prioritized interventions it regarded as lifesaving, which came at the cost of not meeting other PoC basic needs, e.g. NFIs, cooking fuel, shelter, water, sanitation and education. This increased the vulnerability of POCs, especially among women and children.

13. The Representation last verified the refugee population in 2013. It therefore lacked accurate data for its strategic and operational planning since this data was necessary for determining funding required to provide the required protection and assistance to PoCs. The Representation had planned for a verification exercise in July 2019 but this was postponed because it had only received 25 per cent of the required budget of \$755,000. The biometric identity management system (BIMS) and ProGres version 4 that could have provided compensatory controls for data quality had not been deployed at the time of the audit. The Representation had identified the risk of data quality in its risk register, but it was not prioritized for mitigation.

14. The Representation prepared and reported on operation plans, indicators and targets for all programme activities selected for review. However, as reflected in sections C, D and E of this report, the Representation did not have a strong monitoring system to validate the results reported in Focus. OIOS' review also revealed that there were significant misclassifications of expenditures across account codes which impacted the availability of accurate information for decision-making. For example, one partner expensed 90 per cent of its \$3.3 million budget in 2018 under a single account, i.e. other operating expenses. This evidenced poor budgeting, financial monitoring and inadequate oversight by the Representation.

15. The Representation identified capacity building needs of partners as part of its partner selection process, but these could not be addressed due to lack of funding. The Representation also delegated procurement worth \$5.3 million in both 2018 and 2019 to two pre-qualified partners, but these decisions were not informed by: (i) a cost-benefit analysis to confirm the partners had comparative advantage in purchasing; and (ii) an assessment to ensure they had capacity to purchase commodities of that magnitude. The Representation's partner monitoring plans were not informed by the specific risk profile of partners. Consequently, it undertook the same number and intensity of monitoring visits regardless of the assessed partner and/or project risk. The project control officer post was not established, with the position only staffed on a temporary basis. This function also undertook reviews independently from programme staff and, therefore, there was no comparison of financial and programmatic performance.

16. The Representation attributed the issues above to the lack of funding. While this was valid, OIOS was also of the view that they were compounded by inadequate strategic planning in ensuring that refugee population numbers were known, and needs were identified and appropriately prioritized. The Representation also lacked effective management oversight to ensure programme interventions achieved desired impact.

(1) The UNHCR Bureau for East and Horn of Africa and Great Lakes should identify funding for the verification of persons of concern and the deployment of the ProGres version 4 and biometric identity management systems to support the delivery of services in Burundi.

UNHCR accepted recommendation 1 and stated that the Burundi Operation received funds to finalize the verification of PoCs. The verification was on-going. As of 9 December 2019, a total of 6,685 households made up of 29,888 individuals had been verified whilst 21,879 individuals had been enrolled in BIMS. Deployment of ProGres version 4 would take place at the end of the verification exercise. Recommendation 1 remains open pending receipt of documentary evidence of completion of: (i) the verification exercise of PoCs; and (ii) deployment of ProGres 4 and BIMS.

(2) The UNHCR Representation in Burundi should: (i) strengthen its programme performance management, including but not limited to partner accounting and monitoring; and (ii) develop relevant strategies to support the prioritization of interventions in a resource constrained environment.

UNHCR accepted recommendation 2 and stated that it had regularized the Project Control Officer position for 2020 and intended to conduct exhaustive monitoring of partners on a quarterly basis. The Burundi Operation also developed strategies and SOPs for repatriation, reintegration, shelter and settlement, and safe and sustainable access to energy. OIOS noted that the strategies were developed with the exception of the reintegration one. This will be followed up under recommendation 4. Recommendation 2 remains open pending receipt of a plan of action to strengthen arrangements for partner accounting and monitoring.

B. Resettlement

The Representation needed to strengthen controls over resettlement case identification, vetting and selection as well as fraud mitigation measures, to ensure integrity of related processes

17. The Representation identified 28,418 refugees in need of resettlement which represented about 38 per cent of its Congolese refugee population at the time of the audit. To ensure adequate, harmonized and transparent resettlement management and processing, the Representation needed to: (i) assess resettlement

cases in accordance with guidance; (ii) put in place processes to ensure proper oversight and accountability over the process; (iii) conduct fraud risk assessments and implement prevention and detection measures; (iv) assess human resource needs for resettlement; and (v) track progress against resettlement targets.

18. Pursuant to the regional strategy for enhanced resettlement, Congolese refugees were prioritized based on date of arrival, i.e. initially by December 2008 and then extended to December 2013 in 2019. The Representation made a submission for 2,434 persons in 2018 exceeding its resettlement target of 2,327. As at 30 June 2019, the Representation had only submitted 1,038 persons (26 per cent) of the target of 4,000 for 2019. The slower pace of processing applications was attributed to its staffing number not having changed despite the 65 per cent increase in the number of allocations. According to the Representation, its pace of processing resettlement cases was also affected by the lack of experienced local staff and extension of the eligibility criteria from refugees that arrived in Burundi by December 2003 to December 2008. However, the Representation expected to meet its 2019 target considering the large size of the average households and with the 10 available case workers who were expected to cover at least four cases per week.

19. While the Representation's SOPs provided for identification of special protection cases for resettlement, OIOS noted that referrals by the protection team only accounted for two per cent of the total submissions. These referrals were vetted by a 11-person committee against the five stipulated in the SOP. Also, no referrals were received from partners, although this was expected to change following training envisaged in 2019. The number of submissions for resettlement for medical reasons was constrained by delays in the Representation obtaining medical assessment forms after clearance by the Medical Referral Committee. OIOS' review of 29 case files revealed a few exceptions where procedures were not followed. Several files lacked the final resettlement registration form, signed pre-screening forms, duly completed action sheets and ProGres audit reports evidencing a review by the resettlement officer prior to submissions to the regional hub.

20. Refugees were selected from a ProGres generated master list. However, in the absence of BIMS, the Representation relied on photographs and other bio-data in ProGres for their identification during pre-screening. The Representation prepared a report reflecting changes to biodata and photographs albeit on an irregular basis and there was no evidence that this report was reviewed. Consequently, 50-60 per cent of cases identified for resettlement required further assessment to verify changes to family compositions. This and the lack of data verification since 2013 raised the risk of fraud within resettlement processes. The Representation also lacked a system for following up on pending cases, with one case identified as having been outstanding since 2006.

21. The Senior Protection Officer was designated as the accountable officer and the Representation had segregated roles in ProGres. The Representation also had anti-fraud SOPs in place albeit in draft. A fraud risk assessment report conducted in March 2019 identified the need for training, but none had taken place at the time of the audit. The country operation's risk register listed the risk of fraud as major, considering the lack of related information in the community, outdated registration data, lack of other durable solutions, reduction of resettlement quotas and insufficient number of staff. The mitigation measures identified, such as verification exercise, deployment of BIMS and a public information campaign against fraud, were however not yet implemented due to the lack of funds.

22. Contrary to the anti-fraud policy, one case worker in Bujumbura put nine cases 'on hold' due to concerns of fraud without the required investigations taking place. Only three of these cases had been reviewed by a supervisor. Also, no evidence was on file to show that concerned refugees were informed that their cases were on hold. This reflected inadequate management oversight, since staff should not have the power to unilaterally block resettlement processes. There were also gaps across offices visited regarding availability of anti-fraud posters in relevant languages, management of complaint boxes and disposal of complaints submitted. An anti-fraud action plan for the period 2019-2021 was finalized after the audit.

23. The main reason for the above-mentioned weaknesses was inadequate oversight over the management of resettlement as evidenced by the lack of SOPs and tools to support implementation, and non-compliance with fraud prevention controls instituted by UNHCR. This could increase the risk of fraud in resettlement and increase the risk of not achieving resettlement as a durable solution.

(3) The UNHCR Representation in Burundi should: (i) update resettlement standard operating procedures; (ii) assess resettlement cases in accordance with UNHCR guidance to support identification of refugees for resettlement; and (iii) fully implement the anti-fraud policy.

UNHCR accepted recommendation 3 and stated that the Representation had completed the baseline SOP checklists and provided evidence of their approval, endorsement and authorization for use. The Operation had also taken action to address fraud risks. OIOS noted the progress made in assessing resettlement cases and reviewing the SOPs. However, the shared action plan on fraud risks did not cover all the issues raised in the audit. Recommendation 3 remains open pending receipt of a comprehensive action plan to address fraud risks.

C. Repatriation and reintegration

The Representation needed to develop repatriation and reintegration strategies

24. Voluntary repatriation and the reintegration of returning refugees from neighbouring asylum countries was the largest programme in the Burundi operations, with the Representation spending \$6.7 million in 2018 and having a budget of \$3.5 million for 2019. To ensure that these processes were voluntary and carried out in safety and dignity, the Representation needed to: (i) undertake an assessment of the needs, opportunities and constraints of the PoCs; (ii) work with key stakeholders to develop a broad strategy that provides solutions for the returnees, in order to ensure sustainability; (iii) develop a repatriation and reintegration strategy; and (iv) develop plans to translate the repatriation and reintegration strategy into an operational tool.

(a) Repatriation

25. As at 30 June 2019, the conditions for return looked difficult in view of the elections in May 2020 and the Representation opted to provide limited support in the form of facilitation. Even with this constraint, the Representation reported it had facilitated the return of 70,214 Burundians in safety and dignity between September 2017 and June 2019. This was through the provision of transport, food, NFIs, hygiene kits and cash assistance. In 2018, 45,370 Burundians were repatriated to their local communities, 44,762 of whom came from Tanzania. The remaining returnees registered for repatriation opted for a spontaneous return without assistance.

26. In 2019 the Representation formalized its vision for repatriation and reintegration within its 2019-2021 MYMPPSS. However, it lacked a repatriation strategy to direct related processes, especially considering the changing environment within which refugees were returning. It also had not yet developed SOPs to formalize roles and responsibilities of different parties involved in repatriation and reintegration and to guide the implementation of related activities. The Representation had entered into tripartite or 'practical modality' agreements with four countries of exile between 2001 and 2013. However, the earliest agreements were not reviewed and consequently the stipulated conditions for repatriation, including the assistance package, remained unchanged.

27. OIOS' review of 15 convoy manifests revealed differences in the number of returnees listed in the pre-manifest and final manifest. For instance, the pre-manifest for the convoy of 25 January 2019 provided for 442 but only 417 were repatriated. Also, only 398 out of the planned 700 refugees were repatriated from the 18 June 2019 convoy. This reflected the difficulties POCs faced in deciding to return, with many changing their minds at the last minute, and impacted the Representation's planning for these processes. While the Representation reported lumpsum figures of numbers repatriated, it lacked reports providing details about convoys from Tanzania that happened prior to March 2019. OIOS was therefore unable to validate the numbers reported in the final manifest as having been repatriated.

(b) Reintegration

28. The Representation developed a Joint Refugee Return and Reintegration Plan (JRRRP) in 2019 with other United Nations agencies to guide their reintegration interventions for returnees in line with the National Strategy for Socio-Economic Reintegration of Affected Persons in Burundi (2017-2021), the United Nations Development Assistance Framework (2019-2023) and the National Development Plan (2018-2027). However, the Representation could not provide any documentation to evidence progress in implementation of this plan. That said, the Representation implemented a \$0.5 million peaceful co-existence two-year project covering four townships, in conjunction with three United Nations agencies aimed at supporting reintegration with socio-cultural activities, reinforcement of community structures capacity and direct assistance to vulnerable families.

29. As was the case with repatriation, the MYMPPSS provided the Representation's vision regarding reintegration. However, the Representation lacked a strategy and operational plan to direct related programmes. Apart from protection monitoring, the Representation was not undertaking any activities to ensure returnees accessed the necessary political, economic, legal and social conditions so they were reintegrated in conditions of safety and dignity. While returnees reported that they were generally satisfied with the transportation and the assistance provided on arrival, they lacked basic needs such as education and housing and had no access to land and income generating activities other than farming. Also, the children born in Tanzania did not have birth certificates, an issue that was likely to affect their progression in school. These issues had been identified in the 2019 age gender and diversity assessment but remained unresolved. The risk register identified but did not prioritise for mitigating the risk related to the lack of activities to facilitate the economic and social integration of returnees.

30. Protection monitoring was undertaken by a partner because the Representation had limited access to return areas beyond the commune level. The Representation updated its SOPs for protection monitoring in April 2019, but they remained in draft at the time of the audit. While the Representation reported that its protection monitoring had reached 80 per cent of returnees through its partner, it lacked details of who was covered. Twenty-six out of the 29 heads of repatriated households interviewed in three returnee locations reported that they had not been contacted since their return.

31. OIOS reviewed the database to verify whether transactions related to the 29 returnees interviewed were recorded and found only one transaction each for 17 households. This represented a reach rate of 58 per cent. While this result cannot be generalized to the whole population, it raised concerns over the effectiveness of mechanisms for validating information collected as well as the Representation's monitoring of partners' activities. Also, the outcomes of the protection monitoring were not shared with the Representation for action. From June 2019, the partner created alerts for special needs returnees identified but no activities were undertaken in response to these cases.

32. In OIOS' view, the gaps cited above were due to ineffective management oversight over the durable solution processes as evidenced by the lack of strategies and inadequate planning, implementation and monitoring of related activities. The gaps in the reintegration strategy raised the risk that returnees would

not be reintegrated in conditions of safety and dignity and refugees' protection needs would not be met compromising the sustainability of the process. Specifically, if the reintegration process did not provide PoCs with livelihoods and access to basic services, and did not ensure full integration into the communities, there was a risk that refugee returnees would become dependent on humanitarian assistance or return to neighbouring countries as refugees.

(4) The UNHCR Representation in Burundi should develop and/or update repatriation and reintegration strategies, standard operating procedures and tools, including but not limited to reintegration plans, practical modalities to meet the needs of returnees, and proper record keeping to support the repatriation process.

UNHCR accepted recommendation 4 and stated that the Representation had developed and was in the process of implementing: (i) a coherent repatriation strategy; (ii) a reintegration strategy guided by the JRRRP reflecting how the needs of returnees would be met; and (iii) an action plan addressing the record keeping issues related to the repatriation process. OIOS noted that the repatriation strategy and SOPs were put in place. The national reintegration plan, however, defined at a high level the direction that the Representation would take, whereas the Representation should develop its own strategy to direct interventions. A three-month response strategy was developed for the event that there was a forced return of Burundian refugees. Recommendation 4 remains open pending receipt of: (i) evidence of the development and implementation of a reintegration strategy guided by the JRRRP reflecting how the needs of returnees would be met; and (ii) an action plan addressing the record keeping issues related to the repatriation process.

The Representation needed to strengthen cost-effective delivery of basic services to returnees

33. The Representation appointed a partner to provide transport services to returnees and prequalified it to conduct procurement using its own rules. However, this partner procured transport services worth \$1.3 million without following its procurement procedures in 2018. Similarly, in 2019, the partner extended the same contracts by \$1 million, again without following the rules. This issue was not identified by the Representation's project control function. The project auditors identified contracts worth \$ 230,731 in 2018 as not following proper procurement processes but there was no evidence that measures had been taken to correct the issues at the time of the OIOS audit.

34. The partner regularly submitted reports to the Representation on fuel usage, repairs and maintenance cost but there was no evidence that the latter reviewed the reports or monitored the former's compliance with signed agreement. In its review of a sample of vehicle log books, OIOS noted that they were not comprehensively completed, with gaps noted regarding dates, distance travelled and purpose of trip. Vehicle keys were retained by drivers and OIOS could not inspect several vehicles. These anomalies reflected inadequate management oversight over the partner's transportation arrangements and raised the risk of abuse of resources.

35. As of June 2019, the Representation provided the PoCs with repatriation information, vulnerability and medical screening, documentation, three hot meals, accommodation and assistance in the form of food, NFIs and cash at six transit centres. However, there was no documentation to evidence that the sites used as transit centres had been assessed for security, accessibility, environmental factors, infrastructure, access to basic services prior to setting them up. The Representation also lacked documentation to evidence monitoring of activities at the transit centres by its multi-functional team. In its visits to five such centres, OIOS noted that most of the cooking stoves were broken and doors of temporary hangars had fallen off. Despite the presence of protection staff on site, there was no formalized mechanism in place to ensure that returnees provided feedback in a confidential manner.

36. The Representation distributed kits worth \$1.1 million and \$0.6 million in 2018 and up to June 2019 respectively. However, the Representation had not reassessed what NFIs were required by returnees. Consequently, the NFI basket was based on what had been agreed in 2001, which was half of what was distributed in 2012-2013. Returnees could not make ends meet and some resorted to selling NFIs to cover other basic needs such as housing. OIOS therefore questioned the accuracy of the Representation's needs assessment which only identified inadequate cash assistance to PoCs' travel to their final destinations.

37. The partner conducted stock reconciliations and physical counts on a monthly and quarterly basis respectively. Stock counts at the four warehouses visited did not reveal any differences between quantities on hand and what was recorded in bin cards. While the warehousing was adequate and goods were appropriately stocked in Bujumbura and Muyinga, some shortcomings were identified in Ruyigi, namely: (i) lack of fire extinguishers; (ii) poor access control; (iii) most windows were broken exposing the stock to risk of theft and damage; (iv) some housing units were stacked the wrong way raising the risk of damage; and (v) goods were not well stacked to allow stock counts and movement.

38. OIOS observed two distributions covering food and NFIs at two transit centres and identified gaps. All transit centres held NFI stock that was not recorded in the system, due to the centres receiving less returnees than planned. The NFIs were not returned to stock with the understanding that they would be distributed in subsequent weeks, but the records were not updated to reflect the correct stock position. OIOS noted that no controls were instituted over this stock, which raised the risk that losses from these stocks would go undetected. The centers also lacked documentation to evidence post distribution monitoring, through which feedback would be obtained on the effectiveness of the distribution mechanisms. This increased the risk that NFIs would be lost or misappropriated and they would not reach intended beneficiaries.

39. The Representation made one-off cash payments worth \$1.3 and \$0.7 million in 2018 and 2019 respectively to returnees on arrival using the CBI modality. Contrary to the UNHCR guidelines, the Representation had not conducted a feasibility study prior to designing its CBI programme. Such a study would have guided the formulation of a strategy (that was not in place) and decision making regarding what aspects were best suited for CBI in the Burundi country context and the most effective delivery modalities. At the time of the audit, the Representation had completed a market survey for monetization of soap, with the one for the NFI basket underway. However, the soap analysis was not comprehensive since it did not consider all relevant costs. Consequently, the amount given to returnees was still what had been agreed in 2001 and half of what was distributed in 2012-2013.

40. The Representation also selected a partner without analysing whether they had a comparative advantage in implementing CBI. It also did not conduct the required due diligence of partners implementing CBI projects prior to their selection and therefore lacked assurance that the partner had proven capacity in delivering CBI or establish adequate controls to safeguard UNHCR resources. There was also no evidence that the partner developed their own CBI procedures, selection criteria and financial controls in consultation with the Representation. Also, contrary to requirements, the Representation did not institute a PoC complaints and feedback mechanism and systematic post distribution monitoring to learn lessons and modify the CBI modality for effectiveness.

41. While the risk register listed a risk related to rolling out of CBIs as a modality of payment on a large scale, it was not prioritized for mitigation. These issues arose due to the lack of a CBI Officer, with one only being recruited in February 2019. Consequently, the Representation was exposed to the risk that the CBI modality would not adequately support the achievement of protection objectives and related resources would not be adequately safeguarded and accounted for.

(5) The UNHCR Representation in Burundi should: (i) finalize its cash-based interventions strategy and standard operating procedures guided by a feasibility study; and (ii) strengthen controls over receipt, distribution and accountability for non-food items in accordance with UNHCR rules.

UNHCR accepted recommendation 5 and stated that the CBI strategy and SOPs were developed and guided by a feasibility study and were approved by headquarters in Geneva. The delegation of authority plan was approved by the Division of Financial and Administrative Management to include CBI responsibilities and control measures. Appropriate controls were instituted, including the use of material stock requests and stock cards to solve the issues of non-distributed items and ensure proper accountability. Based on the documentary evidence and assurances received from the Representation, recommendation 5 has been recorded as implemented.

D. Shelter and settlement

The Representation needed to strengthen its planning and management of shelter and settlement activities

42. The Representation's expenditure for shelters amounted to \$1.9 million in 2018. For 2019, it had a budget of only \$0.3 million which reflected a significant reduction in shelter activities. To effectively deliver shelter solutions to PoCs, it was essential for the Representation to develop and implement shelter and settlement strategies that were supported by: (i) needs assessments; (ii) participation of key stakeholders including PoCs and host communities; (iii) coordination with other sectors (e.g. education, water, sanitation and hygiene, and livelihoods); and (iv) technical expertise.

43. The Representation did not have a strategy and SOPs to direct and guide its shelter related activities. Such a strategy should have been developed at an early stage of contingency planning with a clear trajectory towards durable and sustainable solutions suitable to the specific contexts of displacement. After the audit, the Representation started developing the shelter strategy and SOPs. The Representation reported that it had built 730 and 27 shelters and hangars respectively. It also rehabilitated 326 and 21 shelters community infrastructures respectively. However, the Representation lacked documentation to evidence constructions undertaken in 2018 and consequently OIOS was unable to verify the number of shelters reported. There were conflicting reports on quantities of shelters constructed and rehabilitated in different documents. Also, the Representation lacked data on the number of shelters constructed that were unoccupied. These issues were not identified by the Representation's project control function and project auditors.

44. The Representation did not undertake an environment feasibility study as required to guide its camp design because camp sites were determined by the Government. Thus, in all the five camps visited, most constructed houses were dilapidated due to structural weaknesses, with some about to collapse in Bwagiriza. Walls and roofs in Kavumu, Kinama and Musasa, were compromised by termites and severe floods during the rainy season. According to the Representation, 3,658 shelters were in poor condition as of June 2019. Also, the Representation did not conduct a needs assessment for shelter preferences and alternative construction technologies. For instance, mud-bricks were not used yet they would have provided PoCs with livelihoods and better protected shelters from weather elements and termites. The risk related to limited water drainage in camps and environmental degradation was not prioritised in the risk register.

45. The basic infrastructure of the five camps was in poor condition. For instance, the Kinama camp had open manholes that posed a risk especially to children who lacked a dedicated space to play. In Musasa camp, the toilets had caved in because of poor workmanship and extreme weather conditions that caused soil erosion. The water points did not have taps to ease the access to water. At the newly constructed

Nyankanda camp there was no consideration for persons with disabilities' access to water, toilets and bathrooms. The limited lighting in all five camps raised the risk of sexual and gender-based violence.

46. Only one bill of quantity was provided for temporary shelters in Nyankanda, but it was not dated and signed as evidence of approval by Representation and implementing partner. The cost of the shelters per this bill of quantity was \$442 which was higher than the recommended \$328 by UNHCR. The proposed lay-out was not followed, with 14 of the 15 shelters visited having moved the kitchen inside which was not in the plan. These shelters also did not have windows, which created a ventilation problem.

47. The partner implementing the shelter programmes had a procurement manual but did not comply with it. For instance, contrary to the requirements in the manual, the partner lacked a vendor database to support the bidding process. OIOS' review of 15 invoices revealed that the partner identified contractors without conducting competitive bidding. The partner only had quotations on file, most of which were from individuals and handwritten, with no documentation to evidence the process followed in soliciting, selecting and awarding contracts. Also, the review of 15 invoices showed that payments were made in full at the time of signing contracts rather than against certification of completion of works. There was also no documentary evidence that the Representation monitored constructions undertaken.

48. The issues above were due to inadequate planning and oversight by the Representation. In the absence of a shelter strategy and SOPs, OIOS was of the view that activities were undertaken in an ad hoc manner, and shelter options provided to refugees may not be the most relevant to their circumstances, represent best value, and be sustainable in the long run. This was especially important in the face of declining funding.

(6) The UNHCR Representation in Burundi should: (i) develop a strategy informed by a needs assessment and environmental studies as well as standard operating procedures to guide the implementation of shelter programmes; and (ii) strengthen its oversight of construction activities to ensure that projects are executed in a cost-effective manner.

UNHCR accepted recommendation 6 and stated that the Representation had completed the shelter and settlement strategy and SOPs and a plan defining how controls over construction would be instituted at field level. OIOS noted that the shelter strategy and SOPs were developed. However, no plan was shared that reflected how management oversight over construction would be strengthened at the field level. Recommendation 6 remains open pending receipt of an action plan defining how controls over construction would be instituted in a sustained manner at the field level.

E. Safe and sustainable access to energy

The Representation needed to strengthen planning, implementation and monitoring of energy programmes

49. The Representation spent \$1.4 million and budgeted \$0.8 million in 2018 and 2019 respectively for PoCs' energy needs for cooking and lighting. To effectively deliver energy solutions to PoCs, the Representation needed to: (i) integrate energy into its country planning processes; (ii) develop and implement strategies for safe and sustainable access to energy; (iii) ensure improved access to household fuel and lighting using appropriate technologies and renewable energy; and (iv) increase access to energy for schools, health centres and other institutions assisted in camps and refugee sites.

50. The Representation lacked documentation to evidence that it had conducted a needs assessment to inform its energy strategy, other than a 2018 partner study on the need for fossil fuel in the camps. Such a strategy would have detailed cost-effective energy options considering the natural resources and

technologies for renewable energy in place. The Representation provided PoCs with cooking briquettes and improved stoves to increase fuel efficiency for cooking and installed solar street lamps for lighting, which reduced the use of traditional sources of energy in all five camps. However, it was unable to collect data for its energy indicator i.e. percentage of households using alternative or renewable energy. It also lacked documentation to support the procurement and distribution of briquettes and solar lamps.

51. Between January and July 2018, there was irregular and insufficient supply of briquettes to PoCs, and those supplied were reported as being of poor quality. For instance, only four of the eight planned distributions took place in each camp in the period from October 2018 to May 2019. To address this problem, the Representation identified a new supplier in September 2018, but the problem persisted. PoCs were also reported to be selling the briquettes or exchanging them food for fuel and reverting to the collection of firewood and charcoal as a fuel. OIOS' review of the related processes revealed that delays in the order-to-payment process may have contributed to the irregular supply of briquettes. This was further exacerbated by the 25 per cent reduction in briquettes distributed per household due to lack of funding. The Representation also could not reconcile payments for briquettes to orders and distribution reports.

52. The root cause of the issues cited above related to inadequate management oversight of the energy programme, as evidenced by limited technical capacity available for the programme, lack of a country specific strategy and SOPs to guide the delivery of services, and deficiencies in monitoring of activities undertaken by partners. These shortcomings significantly impacted the delivery of services to PoCs and exposed the Representation to the risk of implementing unsustainable energy programmes.

(7) The UNHCR Representation in Burundi should develop a strategy informed by an overall energy needs assessment and standard operating procedures for safe and sustainable access to energy.

UNHCR accepted recommendation 7 and stated that the updated strategy and SOPs for safe and sustainable energy in the camps were developed. Based on the documentary evidence and assurances received from the Representation, recommendation 7 has been recorded as implemented.

IV. ACKNOWLEDGEMENT

53. 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 operations in Burundi 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 Bureau for East and Horn of Africa and Great Lakes should identify funding for the verification of persons of concern and the deployment of the ProGres version 4 and biometric identity management systems to support the delivery of services in Burundi.	Important	O	Receipt of documentary evidence of completion of: (i) the verification exercise of PoCs; and (ii) deployment of ProGres version 4 and BIMS.	31 January 2020
2	The UNHCR Representation in Burundi should: (i) strengthen its programme performance management, including but not limited to partner accounting and monitoring; and (ii) develop relevant strategies to support the prioritization of interventions in a resource constrained environment.	Important	O	Receipt of a plan of action to strengthen arrangements for partner accounting and monitoring.	30 June 2020
3	The UNHCR Representation in Burundi should: (i) update resettlement standard operating procedures; (ii) assess resettlement cases in accordance with UNHCR guidance to support identification of refugees for resettlement; and (iii) fully implement the anti-fraud policy.	Important	O	Receipt of a comprehensive action plan to address fraud risks.	31 January 2020
4	The UNHCR Representation in Burundi should develop and/or update repatriation and reintegration strategies, standard operating procedures and tools, including but not limited to reintegration plans, practical modalities to meet the needs of returnees, and proper record keeping to support the repatriation process.	Important	O	Receipt of: (i) evidence of the development and implementation of a reintegration strategy guided by the JRRRP reflecting how the needs of returnees would be met; and (ii) an action plan addressing the record keeping issues related to the repatriation process.	30 June 2020
5	The UNHCR Representation in Burundi should: (i) finalize its cash-based interventions strategy and	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 operations in Burundi 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
	standard operating procedures guided by a feasibility study; and (ii) strengthen controls over receipt, distribution and accountability for non-food items in accordance with UNHCR rules.				
6	The UNHCR Representation in Burundi should: (i) develop a strategy informed by a needs assessment and environmental studies as well as standard operating procedures to guide the implementation of shelter programmes; and (ii) strengthen its oversight of construction activities to ensure that projects are executed in a cost-effective manner.	Important	O	Receipt of a plan of action defining how controls over construction activities would be instituted in a sustained manner at the field level.	31 January 2020
7	The UNHCR Representation in Burundi should develop a strategy informed by an overall energy needs assessment and standard operating procedures for safe and sustainable access to energy.	Important	C	Action completed	Implemented

APPENDIX I

Management Response

MANAGEMENT RESPONSE

Audit of the operations in Burundi 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 Bureau for East and Horn of Africa and Great Lakes should identify funding for the verification of persons of concern and the deployment of the ProGres version 4 and biometric identity management systems to support the delivery of services in Burundi.	Important	Yes	Verification Officer	31 January 2020	The Operation received funds to finalize the verification of PoCs. The verification is currently on-going. As of 9 December 2019, a total of 6,685 households made up of 29,888 individuals have been verified whilst 21,879 individuals have been enrolled in BIMS. Deployment of ProGres 4 will take place at the end of the verification exercise.
2	The UNHCR Representation in Burundi should: (i) strengthen its programme performance management including and not limited to partner accounting and monitoring; and (ii) develop relevant strategies to support the prioritization of interventions in a resource constrained environment.	Important	Yes	Programme/ Project Control Officers	30 June 2020	In addition to the creation of a regular Project Control Officer Position for 2020 and the intended exhaustive monitoring of partners on a quarterly basis, partners were trained on UNHCR External Audit of Partner Projects. This was attended by all partners who appreciated the training and requested a replication in the regions. The Operation has also developed strategies for repatriation, reintegration, shelter and settlement as well as SOPs for safe and sustainable access to energy.
3	The UNHCR Representation in Burundi should: (i) update resettlement standard operating procedures; (ii) assess resettlement	Important	Yes	Protection Officer	31 January 2020	The Operation completed baseline SOP checklists as well as evidence for their approval, endorsement and authorization for use by the

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.

MANAGEMENT RESPONSE

Audit of the operations in Burundi 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
	cases in accordance with UNHCR guidance to support identification of refugees for resettlement; and (iii) fully implement the anti-fraud policy.					Representative. The operation has also submitted evidence of actions taken to address fraud risks related to findings in the report.
4	The UNHCR Representation in Burundi should develop and/or update repatriation and reintegration strategies, standard operating procedures and tools, including but not limited to reintegration plans, practical modalities to meet the needs of returnees and proper record keeping to support the repatriation process.	Important	Yes	Protection Officer	30 June 2020	The operation has developed and is implementing: (i) a coherent repatriation strategy, (ii) a reintegration strategy guided by the JRRRP reflecting how the needs of returnees would be met and (iii) an action plan addressing the record keeping issues related to the repatriation process.
5	The UNHCR Representation in Burundi should: (i) finalize its cash-based interventions strategy and standard operating procedures guided by the feasibility study; and (ii) strengthen the controls over receipt, distribution and accountability for non-food items in accordance with UNHCR rules.	Important	Yes	CBI Officer	Completed 31 October 2019	The CBI strategy and SOPs were developed and guided by a feasibility study. Some documents were already developed before the arrival of the auditors, while the remaining ones were completed after the audit. The documents were approved by HQ in Geneva. The delegation of authority plan was revised and approved by the Division of Financial and Administrative Management to include CBI responsibilities and control measures. When goods are received, a control is being instituted to ensure that quantities supplied are the same as those delivered. Stock cards are created, and

MANAGEMENT RESPONSE

Audit of the operations in Burundi 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
						an inter unit receipt of the items is made in MSRP to update the stocks. NFIs are shipped to the field upon request and an MSR is raised and approved before shipment is done. The receiving warehouse creates an inter-unit receipt and creates stock cards. When protection field unit (partners) have a planned distribution, a request is sent to supply and an MSR is raised to release goods to partners who performs the distribution and produce reports to program. In case of any left over, goods are brought back to the warehouse and received into MSRP. A request has been made to create a warehouse where that non-distributed core relief items were kept for more than three months. When this warehouse is created, it will solve the issues of non-distributed items and ensure proper accountability.
6	The UNHCR Representation in Burundi should: (i) develop a strategy informed by a needs assessment and environmental studies as well as standard operating procedures to guide its implementation; and (ii) strengthen its oversight of construction to ensure that projects are executed in a cost-effective manner.	Important	Yes	Programme Officer	31 January 2020	The Operation has completed the shelter and settlement strategy and SOPs and a Plan defining how controls over construction would be instituted at field level.

MANAGEMENT RESPONSE

Audit of the operations in Burundi 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
7	The UNHCR Representation in Burundi should develop a strategy informed by an overall energy needs assessment and standard operating procedures for safe and sustainable energy.	Important	Yes	Programme Officer	Completed 12 December 2019	The updated Strategy and SOPs for safe and sustainable energy in the camps have been developed