



INTERNAL AUDIT DIVISION

REPORT 2014/057

Audit of the management of the affiliated workforce of the Office of the United Nations High Commissioner for Refugees

Overall results relating to the effective management of the affiliated workforce were initially assessed as partially satisfactory. Implementation of eight important recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

30 June 2014
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AUDIT REPORT

Audit of the management of the affiliated workforce of 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 management of the affiliated workforce of the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.

3. UNHCR uses supplementary human resources to fill the gaps that cannot be addressed by its staff establishment to enhance delivery and response. The affiliate workforce is the collective name given to such additional human resources. It comprises workforce engaged in UNHCR operations through various deployment mechanisms, such as United Nations Volunteers (UNVs), individual contractors recruited to work for UNHCR by an international organization (hereafter referred to as ‘ project services partner’) under an inter-agency operational agreement signed in 1998, interns, stand-by partners, individual contractors and consultants. This affiliated workforce is not included in the UNHCR staff costs component. Instead, associated budgetary requirements are included within operational project budgets or within administrative budgets in some specific cases of hiring individual consultants.

4. As of 31 December 2013, there were approximately 2,500 personnel in the affiliated workforce deployed globally, in addition to the regular workforce of approximately 7,000. This workforce comprised 1,738 individual contractors recruited through a project services partner, 629 UNVs and 128 consultants deployed globally.

5. Overall, UNHCR spent approximately \$76 million on its affiliated workforce in 2012 and \$74 million in 2013 as shown in table 1. In 2012, UNHCR spent \$30 million on individual contractors recruited through a project services partner while the amount estimated for 2013 was \$32 million. Expenditure on UNVs was \$20 million in 2012 with a similar figure estimated for 2013. UNHCR spent \$26 million in 2012 and \$22 million in 2013 on individual consultants.

Table 1
Expenditures¹ on the affiliated workforce in millions of United States dollars

Category of affiliated workforce	2012	2013
Contractors recruited through a project services partner under Individual Contractor Agreements (ICAs)	30	32
United Nations Volunteers	20	20
Individual consultants	26	22
Total	76	74

¹ These figures are approximations/estimates compiled by OIOS because UNHCR lacked centralized data on expenditures relating to its affiliate workforce.

6. To facilitate the management of the workforce, UNHCR set up an Affiliate Workforce Unit at its Budapest office, under the Division of Human Resources Management (DHRM). This Unit acted as a global focal point on all matters relating to the UNHCR affiliate workforce.

7. Comments provided by UNHCR are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

8. The audit was conducted to assess the adequacy and effectiveness of UNHCR governance, risk management and control processes in providing reasonable assurance regarding **the effective management of the affiliated workforce of UNHCR**.

9. The audit was included in the 2013 internal audit work plan due to risks associated with UNHCR's increasing reliance on its affiliate workforce.

10. The key control tested for the audit was the regulatory framework. For the purpose of this audit, OIOS defined **regulatory framework** as controls that provide reasonable assurance that policies and procedures exist to guide UNHCR in managing the affiliated workforce, and are implemented consistently.

11. The key control was assessed for the control objectives shown in Table 2 below.

12. OIOS conducted this audit from 11 September to 16 December 2013. The audit covered the period from 1 January 2012 to 30 November 2013.

13. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

14. The UNHCR governance, risk management and control processes examined were initially assessed as **partially satisfactory** in providing reasonable assurance regarding the **effective management of the affiliated workforce of UNHCR**. OIOS made nine recommendations to address issues identified in this audit.

15. The regulatory framework was partially satisfactory as there was a need to: (a) reassign resources within the Affiliate Workforce Unit to enable effective delivery of assigned responsibilities; (b) collect important financial and operational data; (c) revise the existing agreement with a project services partner; (d) consistently define and interpret cost elements in the agreement with the project services partner and negotiate with the partner on lowering costs; (e) ensure that UNHCR field offices carried out a comprehensive cost-analysis before opting for affiliate workforce; (f) strengthen the management of UNVs by ensuring that the required documentation was in place, including records of training, performance appraisals, attendance records and accurate service clearing accounts; and (g) ensure that consultants were recruited and managed in compliance with the rules.

16. The initial overall rating was based on the assessment of key controls presented in Table 2 below. The final overall rating is **partially satisfactory** as implementation of eight important recommendations remains in progress.

Table 2: Assessment of key control

Business objective	Key control	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of the affiliated workforce of UNHCR	Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

Regulatory framework

Action was taken to reassign resources within the Affiliate Workforce Unit to enable effective delivery of assigned responsibilities

17. The Affiliate Workforce Unit (AWU) in Budapest was established on 1 January 2013 and its terms of reference required that the unit should: (a) ensure there was good cooperation and collaboration with the UNV programme and with a project services partner that provided significant affiliate workforce personnel; (b) monitor the effective use of the affiliate workforce and compliance with relevant rules, regulations and agreements; (c) ensure daily management of issues/queries about affiliate workforce programs; (d) develop policy; (e) provide advice and support to the bureaux and field in the search, deployment and management of the affiliate workforce; (f) prepare reports and statistics; and (g) promote training and capacity-building support for affiliate workforce personnel. Lastly, in line with results based management, the Unit was to define measurable objectives and indicators to enable a review of its performance.

18. A review of existing arrangements indicated that the Unit did not:

- Achieve effective levels of cooperation and collaboration with the entities that were responsible for the UNV programme through which 600 UNVs were recruited, and the project services partner that provided 1,738 affiliate workforce personnel;
- Monitor the effective use of the affiliate workforce and compliance by field offices with relevant rules, regulations and agreements;
- Develop policy, provide advice and support to the Bureaux and field for the deployment and management of the affiliate workforce;
- Prepare reports and statistics, and promote training and capacity-building support for affiliate workforce personnel; and

- Define measurable objectives and specific indicators to evaluate its work accomplishments.

19. This occurred due to incorrect allocation of resources within the Unit and inadequate management oversight. For example: (i) Two staff members were assigned to managing JPOs although the number of JPOs as of October 2013 was only 65; (ii) One staff member was in charge of managing consultants, contractors and interns representing some 1,866 affiliate workforce; and (iii) one staff member was responsible for over 600 UNVs and managed their recruitment and interacted with the UNV office in Bonn. As a result, the staffing resources allocated to the different types of affiliate workforce were not in line with the related risks or the cost to UNHCR.

(1) The Division of Human Resources Management should: (a) reassign staffing resources within the Affiliate Workforce Unit in a manner commensurate with the workload for each category of the workforce; and (b) develop appropriate key performance indicators for monitoring the efficiency and effectiveness of the Unit.

The Division of Human Resources Management accepted recommendation 1 and stated that: (a) The staffing of the Affiliate Workforce Unit was reviewed and resources had been dedicated to support the workload. A new G6 position to support project services partnership had been created; and (b) Performance indicators had been developed for monitoring the efficiency and effectiveness of the Unit. Based on the action taken by the Division of Human Resources Management, recommendation 1 has been closed.

Need for the Affiliate Workforce Unit to collect important financial and operational data

20. The UNHCR Global Management Accountability Framework required that UNHCR Headquarters collect and analyze disaggregated statistics on UNHCR's workforce for the purpose of developing and refining the organization's workforce management policy. In line with this, the terms of reference of the Affiliate Workforce Unit required that the Unit compile statistics vital for the management of its assigned tasks.

21. However, arrangements for the collection and analysis of data were not satisfactory because the Unit did not:

- Collect and compile copies of Exchange of Letters (EoLs) signed between UNHCR field offices and a project services provider. This was considered important since UNHCR spent \$62 million on individual contractors employed through the project services provider in 2012 and 2013. As a result, UNHCR was not aware of the precise numbers of EoLs signed at the regional and local levels.
- Collect and analyze disaggregated statistics on UNHCR's workforce for the purpose of developing and refining the organization's workforce management policy. The Unit lacked accurate information on the total numbers of affiliated workforce broken down by type of workforce and information on the numbers of affiliated staff disaggregated by type and gender.
- Compile essential financial data such as budgets and expenditures for the different categories of affiliated workforce used by UNHCR although such information was critical for effective management of the workforce. The Unit was also not aware of the global expenditures on the different categories of the workforce, although this information was available in MSRP. Such information was also not collected at the regional and local levels.

22. In the absence of accurate financial and operational data, it was difficult for the Affiliate Workforce Unit to prioritize its work in accordance with the risks faced by the organization. The lack of reliable and comprehensive data impeded the ability of the Unit to assess accurately the nature and extent of the affiliate workforce and to analyze regional or country specific trends and statistics. Without such information, it was also difficult for the Unit to monitor the effective use of affiliate workforce and compliance with relevant rules, regulations and agreements.

23. The Unit had not established a mechanism for the systematic collection of financial and operational data due to lack of adequate management attention.

(2) The Affiliate Workforce Unit should strengthen management oversight by establishing a mechanism for the collection of pertinent financial and operational data for the affiliate workforce. This should include: copies of documents such as Exchange of Letters; workforce numbers broken down by category, gender, and detailed financial and budgetary information.

The Affiliate Workforce Unit accepted recommendation 2 and stated that: (a) The Affiliate Workforce Unit started at the beginning of 2014 to collect and compile operational data from UNHCR partners or from its own data files to provide global or disaggregated statistics, and collected financial information from Exchange of Letters (EoL) budgets or from MSRP, in collaboration with the Division of Financial and Administrative Management (DFAM); and (b) The Unit actively collaborated in the upgrade of MSRP Human Resource module for integrating affiliate workforce to improve the workflow and reporting. Recommendation 2 remains open pending receipt of evidence that a mechanism is established for the systematic collection of financial and operational data.

Existing arrangements with a project services partner needed to be reviewed

24. UNHCR field operations were heavily reliant on the 1,738 affiliate workforce personnel provided by a project services partner and the effective management of this workforce was crucial for the success of current and future operations. The partner provided services to UNHCR in accordance with the terms of its June 1998 agreement with UNHCR.

25. A review of the arrangements showed that:

- UNHCR had not carried out a comprehensive review of the 1998 agreement since it came into force.
- UNHCR did not hold required yearly meetings with the partner to review existing arrangements and carry out changes in the light of operational experience.
- UNHCR did not ensure that the partner effectively carried out its assigned responsibility to select and hire staff. A review by OIOS showed that at the country level, UNHCR offices were responsible for the entire recruitment process while the partner was only responsible for monthly salary payments to affiliate staff and for insurance payments.
- UNHCR did not obtain a satisfactory quality of service from the partner. For example: (i) In 2013, as of October, 108 out of 625 contracts had not been signed in Jordan and Lebanon; (ii) there were recurrent delays in payment of salaries in Jordan, Lebanon and Turkey; (iii) medical insurance cards were not provided on time; and (iv) the partner was unresponsive to complaints

regarding salary delays, issuance of contract and issuance of the insurance card. In the absence of appropriate action, these queries had to be processed by the UNHCR human resource units in the field which resulted in additional work.

- The financial reports provided by this partner lacked sufficient detail in order to be able to assess if expenditures were in line with relevant budget documents. The lack of detail in financial reporting meant that confirmation could not be obtained that expenditures reported by the partner were accurate and in accordance with approved budgets.

26. This occurred because of inadequate management review by UNHCR of working arrangements between the partner and UNHCR.

(3) The Division of Human Resources Management should review and revise the June 1998 agreement with the project services partner.

The Division of Human Resources Management accepted recommendation 3 and stated that based on a comprehensive financial cost analysis of the 2014 human resources services provided by the project services partner, DHRM would revise the June 1998 Agreement in collaboration with the Legal Affairs Service (LAS) for legal aspects and DFAM for financial aspects. Recommendation 3 remains open pending receipt of evidence that the June 1998 agreement with the project services partner has been revised.

Need for clarity on support and other costs paid to a project services partner

27. A review of the existing arrangements for costs paid to a project services partner showed that:

- UNHCR and the partner interpreted some cost terms differently, which led to some incorrect charges. For example, in the UNHCR operations in Afghanistan, the partner charged UNHCR support costs twice, once terming it 'overhead costs' and in the second instance calling it 'management fees'. This resulted in excess charge of \$291,075 which is being pursued for recovery by UNHCR.
- UNHCR did not derive economies of scale or reduction in costs in their dealings with the partner, although the agreement with the partner permitted negotiations with the partner on such matters. OIOS observed that UNHCR field offices negotiated country specific EoLs and did not benefit from the economies of scale that could have been obtained had negotiations been done centrally. In the Syria situation for example, since the partner office in Amman supplied some 900 affiliate workforce in Syria, Jordan and Lebanon, there was a possibility for negotiations on cost elements including overhead costs.

28. These shortcomings occurred because of lack of management oversight and absence of adequate interaction with the partner.

(4) The Division of Human Resources Management should ensure that: (a) important cost-related terms in the agreement with the project services partner are defined and interpreted consistently; and (b) that negotiations are held with the partner on lowering costs where feasible.

The Division of Human Resources Management accepted recommendation 4 and stated that: (a) After comparison of the 2014 EoLs DHRM would approach its partner for harmonizing fee structure and services provided and issue guidelines to field offices; and (b) DHRM would negotiate competitive terms and conditions for the 2015 EoLs with its partner. Recommendation 4 remains open pending receipt of evidence that cost related terms in the agreement with the project services partner have been defined and that negotiations are held with the partner on lowering costs.

Need to monitor functions that affiliate workforce can carry out

29. UNHCR rules state that affiliate workforce personnel should not be given the following responsibilities or functions: (a) The authority for formal supervision of UNHCR staff; (b) Direct spending authority; (c) Representational functions vis-a-vis governments or functions of a diplomatic nature; and (d) The authority to issue or make public information statements (except with prior authorization from a Representative or the Division of External Relations). The operational services partners' organizational directive stated that the ICA must not be used to perform regular core functions except when it is for temporary replacement of personnel performing core support and administrative functions and when it is a stop-gap measure for no more than six months duration while competitive recruitment processes for a staff member post are under way.

30. A review of the existing arrangements showed that:

- In Lebanon and in Jordan, International Individual Contractors and Local Individual Contractors were used for formal supervision of UNHCR staff.
- In South Sudan, a UNV was on the delegation of authority plan, carrying out functions such as 'approve spending,' 'approve purchase,' 'confirm value' and 'approve payment.'
- In the same country, a UNV was heading a field office and was, at the time of the fieldwork, in the process of closing down the office, thereby creating a situation in which he could act as the face of UNHCR in dealing with government officials and other parties.
- In Syria, Jordan, Lebanon, UNHCR used individual contractors to perform regular core functions.

31. These shortcomings were mainly due to absence of measures to ensure adequate oversight.

(5) The Division of Human Resources Management should implement measures for ensuring that the affiliate workforce is entrusted with appropriate functions.

The Division of Human Resources Management accepted recommendation 5 and stated that DHRM would revise the IOM FOM 030/31 2011 on Affiliate Workforce with details on the limits of functions of affiliate workforce. Information would be circulated to all staff. The Unit would collaborate with the Inspector General's Office (IGO) for full-compliance monitoring through inspection missions. Recommendation 5 remains open pending receipt evidence that policy changes and measures are implemented for ensuring that the affiliate workforce is entrusted with appropriate functions.

Need to undertake cost-analysis before opting for affiliate workforce

32. UNHCR rules require an assessment of the costs, advantages and disadvantages associated with different affiliate workforce arrangements prior to deciding which type of affiliate workforce should be used. The rules further require a careful consideration of the time required for training, mentoring and supervision to integrate the affiliate workforce into UNHCR. For this purpose, either the field office concerned or the affiliate workforce unit should prepare a needs assessment and cost analysis comparing the different types of affiliate workforce before opting for a particular scheme.

33. However, in practice such analysis or consideration of options was not done. UNHCR field offices stated that they opted for the use of affiliate workforce because it was not possible to create new UNHCR regular posts. ICAs were the preferred scheme in different countries because the living allowance given to UNVs was too low to attract potential candidates.

(6) The Division of Human Resources Management should implement guidelines that require UNHCR field offices to carry out a comprehensive cost analysis of affiliate workforce options before deciding on a particular scheme.

The Division of Human Resources Management accepted recommendation 6 and stated that DHRM would revise the IOM/FOM 030/31 2011 on Affiliate Workforce requiring field offices to ensure that a comprehensive analysis of costs and functions comparing the different types of affiliate workforce would be undertaken before deciding on a particular scheme. DHRM would provide guidance to UNHCR field offices. Recommendation 6 remains open pending receipt of evidence that revised guidelines are implemented requiring UNHCR field offices to carry out a comprehensive cost analysis of affiliate workforce options.

Need to liaise with United Nations Volunteers Headquarters in Bonn to resolve accuracy issues and delays in furnishing field offices with service clearing accounts

34. The UNHCR field guide on UNV deployment and administration required that field offices are billed on a monthly basis through the service clearing account. The process works as follows: UNV Headquarters in Bonn sends financial data to the Accounts and Financial Service (AFS) at UNHCR headquarters in Budapest. AFS extracts data for each office and forwards it to the country operations concerned on a monthly basis. Country operations are supposed to scrutinize and verify the financial charges before accepting them and posting them in MSRP, and to reject those expenses that do not relate to that particular country operation.

35. The arrangements in place were not satisfactory because:

- A situation was identified where both UNHCR and the partner paid volunteer living allowances that resulted in an overpayment of \$180,000. Such payments should only have been made by the partner and at the time of the audit some \$90,000 of the overpayments had been recovered and action was ongoing to recover the balance. UNHCR did not explain why its field office had made the payments.
- The UNHCR Representation in South Sudan needed to obtain an adequate explanation from their partner in Bonn concerning approximately \$79,000 of UNV expenses for 2012 charged to UNHCR. This occurred because the partner continued to make payments to UNVs who had left the Representation but expenses and other costs were still charged to UNHCR. If adequate explanation was not provided, UNHCR needed to seek reimbursement from the partner.

- UNHCR Headquarters delayed sending these service clearing accounts to field offices which contributed to the failure by field offices to appropriately reconcile the financial data. In 2012, for instance, the service clearing accounts for January, February, March and April were only sent to field offices in May.

36. This occurred because UNHCR had not adequately liaised with UNV Headquarters in Bonn to ensure the timely processing of financial information. Failure to reconcile this financial data could result in loss of financial resources due to duplication of payments and billing inaccuracies.

(7) The Division of Human Resources Management should liaise with the United Nations Volunteers headquarters in Bonn to ensure monthly receipt of accurate service clearing accounts.

The Division of Human Resources Management accepted recommendation 7 and stated that the Affiliate Workforce Unit would request the United Nations Volunteers Headquarters for solutions, in collaboration with DFAM for financial aspects. Recommendation 7 remains open pending receipt of evidence that the Affiliate Workforce unit liaised with the United Nations Volunteers Headquarters for monthly receipt of accurate service clearing accounts.

UNHCR management of United Nations Volunteers needed to improve

37. UNHCR rules on the management of UNVs required that: (a) UNVs should sign the code of conduct; (b) attendance records should be maintained; (c) performance appraisals should be conducted and documented; (d) UNHCR should include UNVs in staff development activities when funds are available; and (e) UNVs should complete the security related training requirements.

38. However, a review of the existing arrangements showed that: (a) in 39 out of 60 cases, signed copies of code of conduct were not available; (b) performance appraisals were not completed in 4 out of 60 cases; (c) attendance records were not maintained in 27 out of 60 cases; (d) in 13 out of 60 cases, UNVs had not completed the mandatory security trainings; and (e) UNVs lacked training opportunities.

39. This was because field offices overlooked applying the various aspects of the rules due to inadequate management oversight.

(8) The Division of Human Resources Management should strengthen oversight of field offices to ensure that: (a) United Nations Volunteers sign the UNHCR code of conduct; (b) monthly attendance records are maintained; (c) periodic performance appraisal is conducted; and (d) the required mandatory security trainings are completed and UNVs are provided appropriate training opportunities.

The Division of Human Resources Management accepted recommendation 8 and stated that the Affiliate Workforce Unit informed field offices about the points raised in a) to d). Field offices took corrective actions and confirmed full compliance for the future. The Ethics Office informed that a survey about signature of the Code of Conduct by affiliate workforce was launched in October 2013 and started already the follow up work during 2014. The Affiliate Workforce Unit collaborates with IGO for ensuring compliance with the rules through inspection missions. Recommendation 8 remains open pending confirmation that: UNVs signed the code of conduct; monthly attendance records are maintained; performance appraisal is systematically conducted; and the requisite training is conducted.

Need to comply with the policy on individual consultants

40. Contracts for individual consultants are governed by UNHCR policies and procedures, which contain provisions relating to recruitment, management, retention and separation. However, various divisions/bureaux did not fully comply with these rules as indicated by the following:

- Hiring managers did not carry out required consultant performance appraisals in 20 out of 52 cases reviewed.
- In three cases, competitive selection was not used. In two cases, the hiring manager did not obtain a required waiver of competitive selection from DHRM.
- In one case, a former staff member was hired without obtaining a required waiver from DHRM. One consultant was appointed as UNHCR staff within one month of termination of consultancy, whereas a mandatory break in service of six months was required.
- UNHCR did not ensure that consultancy contracts consistently defined expected deliverables with clarity. For example, a consultant hired for \$13,000 had to be re-engaged for \$4,000 to prepare an executive summary of that report. The expected deliverable in this case should have clarified that an executive summary should have been part of the initial \$13,000 contract. In another case, a consultant hired to prepare a manual and brochure for \$70,000 only prepared the manual and another consultant had to be hired for the brochure. In this case, hiring managers did not adhere to the terms of the contract to ensure that deliverables were in line with the relevant contract.
- UNHCR offices did not systematically prepare attendance records for consultants. For example in one field office out of 14 personal files reviewed, only one had attendance records.
- UNHCR offices needed to enforce the mandatory break in service. In eight cases, the requirement for mandatory break in service was not enforced, as waivers were obtained from DHRM to avoid the mandatory break in service.

41. These shortcomings occurred because DHRM did not adequately monitor compliance by divisions and bureaux with the relevant rules on consultants.

(9) The Division of Human Resources Management should set up a mechanism to ensure systematic compliance with the rules on the recruitment and management of consultants.

The Division of Human Resources Management accepted recommendation 9 and stated that: (a) The Affiliate Workforce Unit informed Divisions/Bureaux about non-compliance with UNHCR policies and procedures. Divisions and Bureaux took corrective actions, confirmed full compliance for the future, and ensured that waivers would be used on an exceptional basis only. Requests for waivers are reviewed carefully by DHRM; and (b) The Affiliate Workforce Unit would collaborate with the IGO for ensuring full compliance with the rules through inspection missions. Recommendation 9 remains open pending confirmation that a mechanism is set up to ensure systematic compliance with the rules on the recruitment and management of consultants.

IV. ACKNOWLEDGEMENT

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

(Signed) David Kanja
Assistant Secretary-General for Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the management of the affiliated workforce of the Office of the United Nations High Commissioner for Refugees

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The Division of Human Resources Management should: (a) reassign staffing resources within the Affiliate Workforce Unit in a manner commensurate with the workload for each category of the workforce; and (b) develop appropriate key performance indicators for monitoring the efficiency and effectiveness of the Unit.	Important	C	Action taken	Implemented
2	The Affiliate Workforce Unit should strengthen management oversight by establishing a mechanism for the collection of pertinent financial and operational data for the affiliate workforce. This should include: copies of documents such as Exchange of Letters; workforce numbers broken down by category, gender, and detailed financial and budgetary information.	Important	O	Receipt of evidence that a mechanism is established for the collection of financial and operational data.	31 December 2014
3	The Division of Human Resources Management should review and revise the June 1998 agreement with the project services partner.	Important	O	Receipt of evidence that the June 1998 agreement with the project services partner has been revised.	30 June 2015
4	The Division of Human Resources Management should ensure that: (a) important cost-related terms in the agreement with the project services partner are defined and interpreted consistently; and (b) that negotiations are held with the partner on lowering costs where feasible.	Important	O	Receipt of evidence that cost related terms in the agreement with the project services partner have been defined and that negotiations are held with the partner on lowering costs.	31 October 2014
5	The Division of Human Resources Management should implement measures for ensuring that the	Important	O	Receipt of evidence that policy changes and measures are implemented for ensuring that the	31 October 2014

¹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

³ C = closed, O = open

⁴ Date provided by United Nations High Commissioner for Refugees in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the management of the affiliated workforce of the Office of the United Nations High Commissioner for Refugees

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	affiliate workforce is entrusted with appropriate functions.			affiliate workforce is entrusted with appropriate functions.	
6	The Division of Human Resources Management should implement guidelines that require UNHCR field offices to carry out a comprehensive cost analysis of affiliate workforce options before deciding on a particular scheme.	Important	O	Receipt of evidence that revised guidelines are implemented requiring UNHCR field offices to carry out a comprehensive cost analysis of affiliate workforce options.	31 October 2014
7	The Division of Human Resources Management should liaise with the United Nations Volunteers headquarters in Bonn to ensure monthly receipt of accurate service clearing accounts.	Important	O	Receipt of evidence that the Affiliate Workforce unit liaised with the United Nations Volunteers headquarters for monthly receipt of accurate service clearing accounts.	31 October 2014
8	The Division of Human Resources Management should strengthen oversight of field offices to ensure that: (a) United Nations Volunteers sign the UNHCR code of conduct; (b) monthly attendance records are maintained; (c) periodic performance appraisal is conducted; and (d) the required mandatory security trainings are completed and UNVs are provided appropriate training opportunities.	Important	O	Confirmation that: UNVs signed the code of conduct; monthly attendance records are maintained; performance appraisal is systematically conducted; and the requisite training is conducted.	30 June 2014
9	The Division of Human Resources Management should set up a mechanism to ensure systematic compliance with the rules on the recruitment and management of consultants.	Important	O	Confirmation that a mechanism is set up to ensure systematic compliance with the rules on the recruitment and management of consultants.	31 May 2014

APPENDIX I

Management Response

Management Response

Audit of the management of the affiliated workforce of the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The Division of Human Resources Management should: (a) reassign staffing resources within the Affiliate Workforce Unit in a manner commensurate with the workload for each category of the workforce; and (b) develop appropriate key performance indicators for monitoring the efficiency and effectiveness of the Unit.	Important	YES	DHRM Deputy Director and Head of Affiliate Workforce Unit	a) May 2014 b) May 2014	a) The staffing of the Affiliate Workforce Unit was reviewed and resources are now dedicated to support the workload. A new G6 position to support project services partnership has been created. b) Performance indicators have been developed for monitoring the efficiency and effectiveness of the Unit.
2	The Affiliate Workforce Unit should strengthen management oversight by establishing a mechanism for the collection of pertinent financial and operational data for the affiliate workforce. This should include: copies of documents such as Exchange of Letters; workforce numbers broken down by category, gender, and detailed financial and budgetary information.	Important	YES	Head of Affiliate Workforce Unit	Q4 2014	a) The Affiliate Workforce Unit started at the beginning of 2014 to collect and compile operational data from UNHCR partners or from its own data files to provide global or disaggregated statistics, and collects financial information from Exchange of Letters (EoL) budgets or from MSRP, in collaboration with the Division of Financial and Administrative Management (DFAM). b) The Unit actively collaborates in the upgrade of MSRP Human Resource module for integrating affiliate workforce to improve the workflow and reporting.
3	The Division of Human Resources Management should review and revise the June 1998 agreement with the project	Important	YES	DHRM Deputy Director and Head of Affiliate	June 2015	Based on a comprehensive financial cost analysis of the 2014 HR services provided by the project services partner, DHRM will

¹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

Audit of the management of the affiliated workforce of the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ₂	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	services partner.			Workforce Unit		revise the June 1998 Agreement in collaboration with the Legal Affairs Service (LAS) for legal aspects and DFAM for financial aspects.
4	The Division of Human Resources Management should ensure that: (a) important cost-related terms in the agreement with the project services partner are defined and interpreted consistently; and (b) that negotiations are held with the partner on lowering costs where feasible.	Important	YES	DHRM Deputy Director and Head of Affiliate Workforce Unit	October 2014	a) After comparison of the 2014 EoLs DHRM will approach its partner for harmonizing fee structure and services provided and issue guidelines to field offices. b) DHRM will negotiate competitive terms and conditions for the 2015 EoLs with its partner.
5	The Division of Human Resources Management should implement measures for ensuring that the affiliate workforce is entrusted with appropriate functions.	Important	YES	DHRM Deputy Director and Head of Affiliate Workforce Unit	October 2014	DHRM will revise the IOM FOM 030/31 2011 on Affiliate Workforce with details on the limits of functions of affiliate workforce. Information will be circulated to all staff. The Unit will collaborate with the Inspector General's Office (IGO) for full-compliance (inspection missions).
6	The Division of Human Resources Management should implement guidelines that require UNHCR field offices to carry out a comprehensive cost analysis of affiliate workforce options before deciding on a particular scheme.	Important	YES	DHRM Deputy Director and Head of Affiliate Workforce Unit	October 2014	DHRM will revise the IOM/FOM 030/31 2011 on Affiliate Workforce requiring field offices to ensure that a comprehensive analysis of costs and functions comparing the different types of affiliate workforce will be undertaken before deciding on a particular scheme. DHRM will provide guidance to UNHCR field offices.
7	The Division of Human Resources Management should liaise with the United Nations Volunteers headquarters in Bonn to ensure monthly receipt of accurate service clearing accounts.	Important	YES	Head of Affiliate Workforce Unit	October 2014	The Affiliate Workforce Unit will request the United Nations Volunteers headquarters for solutions, in collaboration with DFAM for financial aspects.

Management Response

Audit of the management of the affiliated workforce of the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ₂	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
8	The Division of Human Resources Management should strengthen oversight of field offices to ensure that: (a) United Nations Volunteers sign the UNHCR code of conduct; (b) monthly attendance records are maintained; (c) periodic performance appraisal is conducted; and (d) the required mandatory security trainings are completed and UNVs are provided appropriate training opportunities.	Important	YES	Head of Affiliate Workforce Unit	June 2014	The Affiliate Workforce Unit informed field offices about the points raised in a) to d). Field offices took corrective actions and confirmed full compliance for the future. The Ethics Office informed that a survey about signature of the Code of Conduct by affiliate workforce was launched in October 2013 and started already the follow up work during 2014. The Affiliate Workforce Unit collaborates with IGO for ensuring compliance with the rules (inspection missions).
9	The Division of Human Resources Management should set up a mechanism to ensure systematic compliance with the rules on the recruitment and management of consultants.	Important	YES	DHRM Deputy Director and Head of Affiliate Workforce Unit	May 2014	a) The Affiliate Workforce Unit informed Divisions/Bureaus about non-compliance with UNHCR policies and procedures. Divisions and Bureaus took corrective actions, confirmed full compliance for the future, and ensured that waivers will be used on an exceptional basis only. Requests for waivers are reviewed carefully by DHRM. b) The Affiliate Workforce Unit collaborates with the IGO for ensuring full compliance with the rules (inspection missions).