



## INTERNAL AUDIT DIVISION

# REPORT 2014/160

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

Overall results relating to management of the  
operations in Mauritania were initially  
assessed as partially satisfactory.  
Implementation of five important  
recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY  
SATISFACTORY

31 December 2014  
Assignment No. AR2014/131/01

# CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. OBJECTIVE AND SCOPE	1-2
III. AUDIT RESULTS	2-8
A. Project management	3-6
B. Regulatory framework	6-8
IV. ACKNOWLEDGEMENT	8
ANNEX I      Status of audit recommendations	
APPENDIX I   Management response	

# AUDIT REPORT

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

### I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in Mauritania for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. The UNHCR Representation in Mauritania (hereinafter referred to as ‘the Representation’) was established in 1989. The UNHCR operations in the country have gone through various cycles of expansion and contraction in the past. Following the crisis in Mali, there was a significant influx of Malian refugees into Mauritania in early 2012. The Representation was asked by the Government of Mauritania to take the lead in coordinating the humanitarian response. As at February 2014, the Representation was assisting 60,711 Malian refugees in the Mbera camp. In addition, there were approximately 1,100 urban refugees and asylum seekers primarily from the Democratic Republic of the Congo and Côte d’Ivoire.
4. The Representation has a Branch Office in Nouakchott and a Sub Office in Bassikounou. It is headed by a Representative at the D-1 level who, as at 31 December 2013, was supported by 23 professional staff, two national officers, as well as 49 general service and field staff including seven temporary assistance staff. The Representation incurred expenditure of \$24.0 million in 2012 and \$22.3 million in 2013.
5. Comments provided by UNHCR are incorporated in *italics*.

### II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of UNHCR governance, risk management and control processes in providing reasonable assurance regarding the **effective management of UNHCR operations in Mauritania**.
7. The audit was included in the 2014 risk based internal audit work plan for UNHCR due to the risks associated with the emergency situation in Mauritania caused by the large influx of Malian refugees.
8. The key controls tested for the audit were: (a) project management; and (b) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:
  - (a) **Project management** – controls that provide reasonable assurance that there is accurate and complete monitoring and reporting of the Representation’s project activities.
  - (b) **Regulatory framework** – controls that provide reasonable assurance that policies and procedures exist and are adequate and effective.

9. The key controls were assessed for the control objectives shown in Table 1.
10. OIOS conducted this audit from January to April 2014. The audit covered the period from 1 January 2012 to 31 December 2013.
11. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

### III. AUDIT RESULTS

12. The UNHCR governance, risk management and control processes examined were initially assessed as **partially satisfactory**<sup>1</sup> in providing reasonable assurance regarding the **effective management of UNHCR operations in Mauritania**. OIOS made six recommendations to address issues identified in the audit.

13. Project management was assessed as partially satisfactory because there was a need to: (a) strengthen the registration procedures to ensure the accuracy of refugee registration data; (b) strengthen arrangements for the acquisition and distribution of non-food items and shelter kits; (c) strengthen the process for the selection and retention of implementing partners; and (d) strengthen monitoring controls over construction projects. Regulatory framework was assessed as partially satisfactory because there was a need to: (a) strengthen controls over delegation of procurement to partners; and (b) establish a cost sharing mechanism for common costs with other United Nations agencies.

14. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as the implementation of five important recommendations remains in progress.

Table 1  
Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of UNHCR operations in Mauritania	(a) Project management	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(b) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
<b>FINAL OVERALL RATING: PARTIALLY SATISFACTORY</b>					

<sup>1</sup> A rating of “partially satisfactory” means that important (but not critical or pervasive) deficiencies exist 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.

## A. Project management

### Need to strengthen registration procedures to ensure the accuracy of refugee registration data

15. The UNHCR Handbook for Registration requires each UNHCR Representation to develop and implement registration procedures as per the specific local situation, in order to ensure the quality and efficiency of the registration operations and to effectively manage corruption and fraud risks in registration activities.

16. The Representation faced significant challenges in identifying the size of the refugee population and correspondingly adjusting its humanitarian activities in the Mbera camp. It registered more than 110,000 Malian refugees in 2012, estimated using basic refugee household information, in the Profile Global Registration System (proGres), the UNHCR database for registration of the population of concern. Due to enhanced controls for determining the actual refugee population, such as the use of wristbands on refugees, the population decreased to 54,117 by December 2012. In addition, to prevent recycling of previously registered refugees and duplication of identities, the Representation implemented a system of screening the arrivals at the border and initiated a dual biometric registration of refugees from April 2013 in collaboration with the National Census Agency, an implementing partner. In November 2013, the Representation implemented a revised procedure to speed up the registration process whereby doubtful cases and those requiring protection follow-up were biometrically registered as valid refugees, but flagged in proGres as requiring a detailed verification at a later stage. At the time of the audit, there were 14,840 doubtful cases requiring verification. In addition, the National Census Agency, which collected refugee data alongside the Representation during the biometric registration, exchanged initial data with the Representation, which indicated that 3,050 registered refugees were actually Mauritians and were receiving assistance from the Representation. Lack of full access to this valuable data, however, meant that the Representation could not de-activate all non-refugees from proGres. The Representation had also not undertaken a risk assessment to identify the potential fraud scenarios in the registration activities that needed to be mitigated through appropriate control mechanisms.

17. As a result of the above-mentioned shortcomings, there was a risk that the Representation was providing assistance to some ineligible cases in the Mbera camp. The Representation had also not developed an action plan, with the related resource requirements and milestones, for ensuring the accuracy of the registration data.

**(1) The UNHCR Representation in Mauritania should develop an action plan for strengthening its refugee registration procedures, in order to ensure the accuracy of refugee registration data. This action plan should include: (i) verification of the doubtful cases registered in proGres; (ii) conduct of a fraud risk assessment of registration operations; and (iii) arranging for Government authorities to provide access to data on Mauritians registered as refugees.**

*The Representation accepted recommendation 1 and stated that a verification of the doubtful cases was conducted and completed. A registration fraud risk assessment would be completed by the end of January 2015. The Government had shared the data for the entire caseload enrolled until 27 October 2014. The first batch of 7,000 individuals identified as Mauritians had been de-activated. The second batch of an estimated 14,000 individuals would be verified through an interview process and cross checking between the recently received government data and the ProGres database. This process would determine the final figure of individuals amongst this group to be de-activated. It was foreseen that the de-activation exercise would be concluded by June 2015, by which time final figures for bona fides refugees in Mbera would become available. Based on the action taken and the documentation provided by the Representation, recommendation 1(i) has been closed. Recommendation 1(ii) remains*

open pending receipt of evidence that a registration fraud risk assessment has been undertaken and appropriate control mechanisms put in place. Recommendation 1(iii) remains open pending receipt of evidence that all Mauritians registered as refugees have been de-activated from proGres.

Need to strengthen arrangements for the acquisition and distribution of non-food items and shelter kits

18. In 2013, the Representation started procuring and distributing non-food items (NFIs) to individual families registered in proGres. As required by the UNHCR Commodity Distribution Handbook, it collected signatures of the beneficiaries as an acknowledgement of receipt of NFIs. A shelter kit distribution procedure was also put in place later in the year, whereby prior visits were undertaken to each refugee household to ensure that the distribution of the shelter kits was done based on an assessment of actual needs. However, the following weaknesses were noted in the arrangements for acquisition and distribution of NFIs and shelter kits:

- From June 2012 to February 2014, 11,728 shelter kits, covering 66 per cent of the refugee households, were procured and distributed, while about 6,000 households still remained to receive the shelter kit. In December 2013, the Representation procured 11,000 shelter kits with a value of \$1.8 million for distribution to be undertaken during 2014. Given the reduction in the actual number of beneficiaries due to the ongoing biometrics registration process, there was a surplus of at least 5,000 shelter kits, requiring additional resources for managing them or deploying them elsewhere.
- The composition of the standard NFI kit and the frequency of distribution of various NFIs were not defined. Although some regular NFIs like soap were distributed along with food distributions every two months, distribution of other NFIs was random. This ad hoc and unplanned distribution pattern resulted in the unnecessary accumulation of NFI stocks.
- The Representation did not prepare reconciliation reports for the quantities of NFIs received and distributed by implementing partners and the balance returned to the warehouse in the Mbera camp. As a result, there were discrepancies between items issued from the warehouse and items distributed in 2013 totaling \$53,550.
- The Representation did not keep track of NFIs procured and distributed by other agencies in the Mbera camp to avoid duplications in the distribution of NFIs to the same beneficiaries. A review of a sample of shelter kit distributions revealed that in two of the 15 cases, beneficiaries received shelter kits both from UNHCR and from another agency.

19. These shortcomings happened because the Representation did not establish a plan for the acquisition of NFIs and shelter kits and did not specify local procedures for monitoring, reconciling and recording all distributions.

**(2) The UNHCR Representation in Mauritania should develop: (i) a plan for the acquisition of non-food items and shelter kits, taking into account the actual refugee needs and the composition of the items to be distributed; and (ii) procedures specifying the distribution methodology and the responsibilities for monitoring, reconciling and recording the distributions.**

*The Representation accepted recommendation 2 and stated that the NFI purchasing plan for 2015 had been developed, consolidating NFI needs for de-activated individuals, the emergency stock and the regular operations. As for shelter kits, with the 11,000 units bought in December 2013, no further purchases were planned. Procedures specifying the distribution methodology had been established. The responsibilities for monitoring, reconciling and recording the distributions were not fully implemented yet. Based on the action taken and the documentation provided by the Representation,*

recommendation 2(i) has been closed. Recommendation 2(ii) remains open pending receipt of evidence that responsibilities for monitoring, reconciling and recording the NFI and shelter kit distributions have been formally established and systematically implemented.

#### Need to strengthen the process for the selection and retention of implementing partners

20. UNHCR rules require UNHCR Representations to establish an Implementing Partnership Management Committee with a multi-functional team to provide advice on the selection and retention of implementing partners. They also require the conduct of a call for expression of interest for use in the selection of partners.

21. The Representation did not establish an Implementing Partnership Management Committee until 2013. To implement the 2014 programme, the Committee advised the Representation to retain four partners without competitive bidding and to give one partner a three-month extension due to performance issues. A bidding process was undertaken only for the replacement of two other partners. The Representation cited time constraints and lack of availability of suitable non-governmental organisations in Mauritania for this shortcoming. As a result, the Representation was at risk of continuing to work with partners that were not the best fit or most competent for implementing the UNHCR programme in Mauritania. For example, the Representation took action to terminate its partnership with a local partner for the Malian caseload following the detection of problems in the areas of registration and food distribution. However, it continued to work with the same partner for the urban refugee caseload without conducting a competitive selection process.

**(3) The UNHCR Representation in Mauritania should undertake a competitive selection process to ensure that implementing partner selection and retention is conducted in compliance with UNHCR rules.**

*The Representation accepted recommendation 3 and stated that a competitive selection process to select partners for 2015 was carried out between October and November 2014. The Implementing Partnership Management Committee met in October 2014 to agree on the criteria for selection. The Committee then met on four occasions in November 2014, involving the relevant experts, to select the “best fit” partners. The recommendations were then presented to the Representative. The final decisions were communicated to all bidders on 1 December 2014. Based on the action taken and the documentation provided by the Representation, recommendation 3 has been closed.*

#### Need to strengthen monitoring controls over construction projects

22. UNHCR implementing partner agreements require Representations to review construction activities delegated to partners to ensure that the partners: keep records of all construction contracts and subcontracts; submit to UNHCR one copy of each signed construction contract exceeding \$5,000 together with the relevant plans, specifications, bills of quantities and cost estimates; and undertake technical certifications of construction work to ensure conformity with approved plans, and bills of quantities used, before payments are made.

23. The Representation had delegated all the construction activities in the Mbera camp to three implementing partners under various partnership agreements. The value of the construction work amounted to \$0.9 million in 2012 and \$1.7 million in 2013. The Representation undertook regular financial monitoring and also deployed technical staff to monitor the construction activities. However, there was no documentation to show that the UNHCR camp manager and technical specialists reviewed the bills of quantities used to assess the quality of work done. One partner outsourced all the construction work valued at \$1.1 million for 2012-2013 to various local contractors with little technical involvement

by itself in the execution of the activities. The documents relating to the construction, such as drawings, plans and bills of quantities, could not be reviewed by the Representation as they were only held by the local contractors, which was inconsistent with the partner agreement.

24. In addition, the OIOS review identified that one partner had not completed all the construction activities that it was required to carry out as per its 2012 agreement with the Representation. This happened because the Representation had not adequately linked its financial verification of the partner's expenditures with the actual construction work done by the partner. In 2013, after the Representation started taking action to count and verify the actual facilities constructed before approving partner expenditures, it also decided to terminate its partnership with this partner. However, the excess costs charged to the Representation amounting to \$143,949 for the construction work not carried out in 2012 needed to be recovered from the partner.

25. The inadequate monitoring over construction projects happened because, at the height of the emergency, several technical specialists were new to UNHCR and were not aware of the implementing partner agreement requirements. There was a risk that payments were released to the partners without the Representation ensuring that the constructions undertaken met the requirements and the quality standards.

**(4) The UNHCR Representation in Mauritania should: (i) put in place appropriate arrangements for monitoring the construction activities implemented by partners; and (ii) recover the excess costs amounting to \$143,949 from one partner for construction work not carried out.**

*The Representation accepted recommendation 4 and stated that the established monthly performance monitoring report system to follow up on the level and quality of activities implemented by partners was revised to make it more effective. The UNHCR Camp Manager in Bassikounou would closely monitor construction activities implemented by partners and systematically include his observations in the performance monitoring reports. In March 2014, the Representation sent a letter to the partner claiming recovery of excess costs amounting to \$143,949 for work not carried out in 2012. The partner responded that the project was liquidated and closed and therefore the amount was not recoverable. UNHCR would further assess the recoverability of this amount and propose further action. Recommendation 4 remains open pending receipt of evidence that: (i) construction records are systematically received and technical certification of construction work undertaken by implementing partners is done before payments are made to the partners; and (ii) the excess costs of \$143,949 for construction work not carried out by a partner as per the 2012 agreement with the partner have been recovered.*

## **B. Regulatory framework**

### Procedures on delegation of procurement to partners were not followed

26. UNHCR implementing partner procurement guidelines indicate that procurement in excess of \$100,000 can be delegated to partners who are pre-qualified to undertake procurement. In addition, it is a UNHCR policy to limit procurement by implementing partners to only those occasions when the partner has a clearly proven advantage, such as awareness of local conditions, specific technical expertise or ability to achieve cost savings. The Representations are required to: document a cost-benefit analysis to determine the comparative advantage of delegating procurement to a partner; assess the capacity of the partner based on the value of procurement it has undertaken in previous years, as well as its procurement procedures, staffing and oversight structure; and monitor its procurement activities to ensure compliance with the procedures and achievement of value for money.

27. The Representation delegated procurement valued at \$4.0 million in 2012 and \$2.4 million in 2013 to four implementing partners without undertaking a cost-benefit analysis to determine the comparative advantage of delegating the procurement. Three of the international partners were, however, pre-qualified. Further, OIOS reviewed procurement activities undertaken by two of these three pre-qualified international partners and assessed that they both duly followed their own procurement procedures.

28. However, the fourth partner, which was a local partner and had been delegated procurement valued at \$1.5 million by the Representation during 2012-2013, was not pre-qualified. OIOS review of procurement at this partner also identified that it did not follow any selection procedures for contracts awarded in 2012, valued at \$0.9 million, due to the limited time available to engage suppliers during the emergency operation. In 2013, the partner initiated selection procedures and established written contracts for the transportation of refugees, provision of hot meals and the transportation of NFIs valued at \$0.6 million. However, the Representation's financial monitoring failed to detect that the partner did not follow a competitive bidding process as it invited and evaluated only four bidders instead of the 12 required to award each of these contracts. Although the Representation subsequently took action to terminate its partnership with this partner, it may not have obtained best value for money for the procurement undertaken by this partner.

29. The above deficiencies happened due to inadequate knowledge by the Representation's programme and supply staff of the UNHCR rules on delegation of procurement to partners and insufficient monitoring of procurement undertaken by the partners.

**(5) The UNHCR Representation in Mauritania should train its staff on the UNHCR rules regarding delegation of procurement to implementing partners, and put in place appropriate oversight arrangements to ensure that the monitoring of procurement activities undertaken by partners is systematically conducted.**

*The Representation accepted recommendation 5 and stated that training of staff on procurement by implementing partners would be conducted in February 2015. Procurement requirements would be included in the Project Partnership Agreements. For partners undertaking large procurement, submission of procurement plans would be required. Monitoring plans of such procurement would be established jointly with these partners. Special attention would be given to adherence to procurement procedures during financial verifications. Recommendation 5 remains open pending receipt of evidence that the Representation's programme and supply staff have been trained on the UNHCR rules regarding delegation of procurement authority to partners and that procurement undertaken by partners is adequately and systematically monitored as part of financial verifications.*

#### Need to establish a cost sharing mechanism for common costs with other United Nations agencies

30. According to UNHCR rules, common costs incurred by Representations on the provision of services to other United Nations agencies should be shared amongst the users of those services. All United Nations agencies in Bassikounou were required by the United Nations security measures to use police escort services. The total cost of fuel provided for the vehicles used in the escort services in 2013 amounted to \$66,478. The escort services were managed by the UNHCR Field Security Officer and all the fuel charges were funded by the Representation. In addition to the fuel, the costs related to the security coordination and radio room of \$180,000 per year were fully covered by the Representation without any participation from the two other United Nations agencies. The Representation did not initiate discussions on cost sharing of the common expenses, because at the beginning of the emergency UNHCR was the agency with the highest number of staff in Bassikounou and was obliged to have the police escorts and the radio room for security reasons. It also did not request cost sharing of the expenses from

the other United Nations agencies upon their arrival later in 2012. This resulted in loss of financial resources.

**(6) The UNHCR Representation in Mauritania should implement a cost sharing mechanism with the other United Nations agencies based in Bassikounou for the police escort services and radio operations currently paid by UNHCR.**

*The Representation accepted recommendation 6 and stated that the cost sharing of the radio room would be addressed during the first quarter of 2015. Regarding the cost sharing of police escorts, due to the complexity of the matter, the Representation envisaged implementing the recommendation by the end of 2015. Recommendation 6 remains open pending receipt of evidence that a cost sharing mechanism for police escort services and radio operations in Bassikounou has been established.*

#### **IV. ACKNOWLEDGEMENT**

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

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

## STATUS OF AUDIT RECOMMENDATIONS

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

Recom. no.	Recommendation	Critical <sup>2</sup> / Important <sup>3</sup>	C/ O <sup>4</sup>	Actions needed to close recommendation	Implementation date <sup>5</sup>
1	The UNHCR Representation in Mauritania should develop an action plan for strengthening its refugee registration procedures, in order to ensure the accuracy of refugee registration data. This action plan should include: (i) verification of the doubtful cases registered in proGres; (ii) conduct of a fraud risk assessment of registration operations; and (iii) arranging for Government authorities to provide access to data on Mauritians registered as refugees.	Important	O	Submission to OIOS of evidence that a registration fraud risk assessment has been undertaken and appropriate control mechanisms put in place, and that all Mauritians registered as refugees have been de-activated from proGres.	30 June 2015
2	The UNHCR Representation in Mauritania should develop: (i) a plan for the acquisition of non-food items and shelter kits, taking into account the actual refugee needs and the composition of the items to be distributed; and (ii) procedures specifying the distribution methodology and the responsibilities for monitoring, reconciling and recording the distributions.	Important	O	Submission to OIOS of evidence that responsibilities for monitoring, reconciling and recording the NFI and shelter kit distributions have been formally established and systematically implemented.	31 March 2015
3	The UNHCR Representation in Mauritania should undertake a competitive selection process to ensure that implementing partner selection and retention is conducted in compliance with UNHCR rules.	Important	C	Action completed	Implemented
4	The UNHCR Representation in Mauritania should: (i) put in place appropriate arrangements for monitoring the construction activities implemented by partners; and (ii) recover the excess costs amounting to \$143,949 from one partner for	Important	O	Submission to OIOS of evidence that: (i) construction records are systematically received and technical certification of construction work undertaken by implementing partners is done before payments are made to the partners; and	30 June 2015

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> C = closed, O = open

<sup>5</sup> Date provided by UNHCR in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

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

Recom. no.	Recommendation	Critical <sup>2</sup> / Important <sup>3</sup>	C/ O <sup>4</sup>	Actions needed to close recommendation	Implementation date <sup>5</sup>
	construction work not carried out.			(ii) the excess costs of \$143,949 for construction work not carried out by a partner as per the 2012 agreement with the partner have been recovered.	
5	The UNHCR Representation in Mauritania should train its staff on the UNHCR rules regarding delegation of procurement to implementing partners, and put in place appropriate oversight arrangements to ensure that the monitoring of procurement activities undertaken by partners is systematically conducted.	Important	O	Submission to OIOS of evidence that the Representation's programme and supply staff have been trained on the UNHCR rules regarding delegation of procurement authority to partners and that procurement undertaken by partners is adequately and systematically monitored as part of financial verifications.	31 March 2015
6	The UNHCR Representation in Mauritania should implement a cost sharing mechanism with the other United Nations agencies based in Bassikounou for the police escort services and radio operations currently paid by UNHCR.	Important	O	Submission to OIOS of evidence that a cost sharing mechanism for police escort services and radio operations in Bassikounou has been established.	31 December 2015

# **APPENDIX I**

## **Management Response**

## Management Response

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

Rec. no.	Recommendation	Critical <sup>6</sup> / Important <sup>7</sup>	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Mauritania should develop an action plan for strengthening its refugee registration procedures, in order to ensure the accuracy of refugee registration data. This action plan should include: (i) verification of the doubtful cases registered in proGres; (ii) conduct of a fraud risk assessment of registration operations; and (iii) arranging for Government authorities to provide access to data on Mauritians registered as refugees.	Important	Yes	Registration Officer	(i) Implemented (ii) January 2015 (iii) June 2015	(i) A verification of the doubtful cases was conducted and completed in April 2014.  (ii) A registration fraud risk assessment will be conducted in January 2015 using as a reference the 'Strategic Framework for the Prevention of Fraud and Corruption' and the 'Risk Assessment Template'. The assessment will be completed by 31 January 2015.  (iii) The Government has shared the data for the entire caseload enrolled until 27 October. The first batch of 7000 individuals identified as Mauritians has been de-activated after receiving an accompanying package including the December 2014 food ration, some NFIs and 10,000 MRO per person. The review process for cases who submitted a recourse is ongoing. The second batch of an estimated 14,000 individuals will be verified through an interview process and cross checking between the recently received government data and the UNHCR ProGres database. This process will determine the final figure of individuals amongst this group to be de-activated. It is foreseen that the de-activation exercise will be concluded by June 2015, by which time final figures for bona fides refugees in M'bera will become available.

<sup>6</sup> 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.

<sup>7</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## Management Response

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

Rec. no.	Recommendation	Critical <sup>6</sup> / Important <sup>7</sup>	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
2	The UNHCR Representation in Mauritania should develop: (i) a plan for the acquisition of non-food items and shelter kits, taking into account the actual refugee needs and the composition of the items to be distributed; and (ii) procedures specifying the distribution methodology and the responsibilities for monitoring, reconciling and recording the distributions.	Important	Yes	(i) Programme Officer/Associate Programme Officer  (ii) Food Security Officer/Registration Officer	(i) Implemented (ii) March 2015	(i) A non-food items (NFI) purchasing plan for 2015 has been developed which consolidates NFI needs for de-activated individuals, the emergency stock and the regular operation. As for shelter kits, with the 11,000 units bought in 2014, no further purchases are planned for 2015.  (ii) Procedures specifying the distribution methodology have been established. The responsibilities for monitoring, reconciling and recording the distributions are not fully implemented yet. Recording will be done when the code bar system will be in place, which is estimated by March 2015.
3	The UNHCR Representation in Mauritania should undertake a competitive selection process to ensure that implementing partner selection and retention is conducted in compliance with UNHCR rules.	Important	Yes	Senior Programme Officer/Associate Programme Officer	Implemented	A competitive selection process to select partners for 2015 was carried out between October and November 2014. The IPMC met in October 2014 to agree on the criteria for selection. 10 calls for expression of interest were launched thereafter (the terms of reference for each were prepared by the relevant units and technical experts). 20 candidates submitted concept notes by the deadline of 9 November 2014. Of these, 3 candidates were dismissed because some of the required documentation was missing (in total, 42 submissions were received and 39 applications reviewed – to note that no applications were received for one call for expression of interest in the domain of legal assistance to refugees). The Secretary shared the 39 applications with the relevant units and technical experts for their assessment. The IPMC then met on four occasions in November 2014, involving the relevant experts, to select the “best fit” partners. The

## Management Response

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

Rec. no.	Recommendation	Critical <sup>6</sup> / Important <sup>7</sup>	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						recommendations were then presented to the Representative. The final decisions were communicated to all bidders on 1 December 2014. The partner for WASH, selected in March 2014 through a competitive process, was retained for a second year.
4	The UNHCR Representation in Mauritania should: put in place appropriate arrangements for monitoring the construction activities implemented by partners; and recover the excess costs amounting to \$143,949 from one partner for construction work not carried out.	Important	Yes	(i) Senior Programme Officer/Camp Manager  (ii) Bureau	(i) February 2015 (ii) June 2015	(i) The established monthly performance monitoring report system to follow up on the level and quality of activities implemented by partners was revised to make it more effective. The report is filled out by the relevant technical experts together with programme colleagues and with the partner (Multi-Functional Teams (MFT) approach). The UNHCR Camp Manager in Bassikounou will monitor construction activities implemented by partners in Bassikounou closely and will systematically include his observations in the performance monitoring reports.  (ii) In March 2014, UNHCR Mauritania sent a letter to the partner claiming recovery of excess costs amounting to \$143,949 for work not carried out in 2012. The partner responded that the project is liquidated and closed and therefore the amount is not recoverable. The partner has also ceased operation in Mauritania. UNHCR will further assess the recoverability of this amount and propose further action.
5	The UNHCR Representation in Mauritania should train its staff on the UNHCR rules regarding	Important	Yes	Supply Officer/Senior Programme		Training of staff on procurement by partners will be conducted jointly by Supply and Programme, with the support of Project Control in February 2015,

## Management Response

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

Rec. no.	Recommendation	Critical <sup>6</sup> / Important <sup>7</sup>	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	delegation of procurement to implementing partners, and put in place appropriate oversight arrangements to ensure that the monitoring of procurement activities undertaken by partners is systematically conducted.			Officer/Project Control Officer		based on the “UNHCR Policy and Procedures on Procurement by Partners with UNHCR Funds” of 1 November 2014. Guidance Note No. 4 of the policy has been shared with the partners. Procurement requirements will be included in the Project Partnership Agreements (PPA). For partners undertaking large procurement, submission of procurement plans will be required. Monitoring plans of such procurement will be established jointly with these partners. Special attention will be given to adherence to procurement procedures during financial verification.
6	The UNHCR Representation in Mauritania should implement a cost sharing mechanism with the other United Nations agencies based in Bassikounou for the police escort services and radio operations currently paid by UNHCR.	Important	Yes	Representative	March 2015 December 2015	The cost sharing of the radio room will be addressed during the first quarter of 2015. Regarding the cost sharing of police escorts, due to the complexity of the matter, it is envisaged to implement the recommendation by the end of 2015.