



INTERNAL AUDIT DIVISION

REPORT 2014/161

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

Overall results relating to management of the operations in Mali were initially assessed as unsatisfactory. Implementation of two critical and two important recommendations remains in progress.

FINAL OVERALL RATING: UNSATISFACTORY

31 December 2014
Assignment No. AR2014/111/01

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AUDIT REPORT

Audit of the operations in Mali 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 Mali 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 Mali (hereinafter referred to as ‘the Representation’) commenced its operations in April 1976. From 2006 to 2012, the operations were downsized with only a minimal presence maintained in Bamako and Kayes for the management of Mauritanian refugees. Since 2012, due to the Mali crisis, UNHCR has significantly increased its presence in the country. The Representation was part of the UNHCR Regional Representation for West Africa until 31 December 2012 when it became a stand-alone country operation. Apart from the country office in Bamako, the Representation has a sub office in Gao and field presences in Kayes, Mopti and Timbuktu.
4. As of 31 December 2013, the Representation was managing four population groups:
 - 217,811 internally displaced persons;
 - 12,345 Mauritanian refugees living in Kayes;
 - 1,742 urban refugees based mainly in Bamako and Sikasso; and
 - 14,217 Malian returnees from the neighbouring countries of Mauritania, Niger, Algeria and Burkina Faso.
5. The Representation had expenditures totalling \$2.0 million in 2012 and \$8.6 million in 2013, and a budget of \$13.4 million for 2014. In January 2014, it had: 73 posts of which 60 were filled (17.8 per cent vacancy rate); 92 property, plant and equipment assets with a purchase price of \$2.1 million; and 413 serially tracked items with a purchase price of \$0.8 million. The Representation maintained two warehouses, one in Mopti and one in Segou. It worked with four implementing partners in 2012 and 10 in 2013.
6. Comments provided by UNHCR are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

7. 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 Mali**.
8. This audit was included in the 2014 risk-based internal audit work plan for UNHCR due to the risks associated with managing an emergency response for the protection of uprooted civilians in Mali.

9. 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.

10. The key controls were assessed for the control objectives shown in Table 1.

11. OIOS conducted this audit from January to June 2014. The audit covered the period from 1 January 2012 to 31 December 2013.

12. 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

13. The UNHCR governance, risk management and control processes examined were initially assessed as **unsatisfactory**¹ in providing reasonable assurance regarding the **effective management of UNHCR operations in Mali**. OIOS made six recommendations to address issues identified in the audit.

14. Project management was assessed as partially satisfactory because there was a need to follow up on external audit recommendations pertaining to implementing partners. Regulatory framework was assessed as unsatisfactory due to the critical need to: i) strengthen compliance with the UNHCR procurement rules; ii) strengthen vendor management; and iii) strengthen the arrangements for receipt, issuance and distribution of non-food items. In addition, there was a need to maintain adequate records of the assets owned by the Representation but held by partners under Right of Use agreements and to ensure that all UNHCR offices in Mali achieve Minimum Operating Security Standards compliance.

15. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **unsatisfactory** as the implementation of two critical and two important recommendations remains in progress.

¹ A rating of "unsatisfactory" means that one or more critical and/or pervasive important deficiencies exist 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.

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 Mali	(a) Project management	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(b) Regulatory framework	Unsatisfactory	Unsatisfactory	Unsatisfactory	Unsatisfactory
FINAL OVERALL RATING: UNSATISFACTORY					

A. Project management

Action was taken to follow up on external audit recommendations pertaining to implementing partners

16. The UNHCR policy on ‘Implementing Partner Audit Certification - Roles, Responsibilities and Accountabilities’ requires UNHCR representatives to review the contents of all implementing partner audit certificates and develop action plans to remedy any issues identified. OIOS reviewed the 2012 external audit reports for four implementing partners and noted that the auditors had raised important recommendations at each of the partners. However, these recommendations were not adequately followed up by the Representation as required. Appropriate capacity building activities for the partners had also not been implemented. The important recommendations pertained to:

- lack of an appropriate accounting software;
- lack of evidence of inventory counts being undertaken;
- lack of evidence of goods receipts matching purchase orders; and
- lack of evidence of conduct of bank reconciliations.

(1) The UNHCR Representation in Mali should follow up on external audit recommendations pertaining to implementing partners until the recommendations are fully implemented and carry out capacity building activities for its partners.

The Representation accepted recommendation 1 and stated that the missing information detected by the external auditors was already submitted by the partners for closure of the recommendations. One implementing partner, which had one pending recommendation, was not retained as a partner in 2014. For all other partners, follow-up control and verification sessions were taking place systematically by the Project Control Officer. Based on the action taken and the documentation provided by the Representation, recommendation 1 has been closed.

B. Regulatory framework

Need to strengthen compliance with the procurement rules

17. The UNHCR procurement rules require that tenders for goods and services should be invited by advertisement and that an appropriate number of suitable vendors should be identified to bid to provide the goods or services. The Manual also requires procedures to be in place to ensure that procurement

cases exceeding the prescribed thresholds of \$20,000 and \$150,000 are submitted for the approval of the Local Committee on Contracts and the Regional Committee on Contracts respectively. The following instances of non-compliance with the UNHCR rules were noted in the Representation's procurement processes:

- The Representation procured fuel from the same supplier during 2012 and 2013 worth a total of approximately \$250,700 without obtaining approval from the Regional Committee on Contracts;
- The Representation procured 60 motorbikes for \$248,000, which were delivered in August 2013 but for which the purchase order was created only three months later. Approval from the Regional Committee on Contracts for this procurement was not obtained.
- The office lease for one year for \$24,000 was signed in June 2012. The approval of the Local Committee on Contracts was not obtained as required. The Representation renewed the lease for another year from June 2013 to May 2014 again without seeking approval from the Local Committee on Contracts. It also did not obtain a waiver of competitive bidding in this case as required.
- For payments to a travel agency for travel services totaling \$103,700 during May 2012, no Local Committee on Contracts approval was available.
- Nine purchase orders with a cumulative total value of \$96,000 were approved without inviting the minimum number of vendors required for the related procurement cases. Notes for the file were not prepared to explain the reasons for not complying with the rules. Waivers of competitive bidding were also not obtained.

18. The main reason for the inconsistent application of the procurement rules was that most of the procurement had been handled by the UNHCR Regional Representation in Senegal prior to the re-establishment of the Representation in Mali in 2012. The Representation's supply staff and members of the Local Committee on Contracts had limited procurement experience and were not adequately aware of the UNHCR rules. The Representation was therefore at risk of not obtaining best value for money in the procurement of goods and services.

(2) The UNHCR Representation in Mali should provide procurement training to supply staff and strengthen oversight by management and the Local Committee on Contracts over the procurement of goods and services.

The Representation accepted recommendation 2 and stated that the membership of the Local Committee on Contracts was revised on 18 August 2014 and the members of the new Committee, including the Deputy Representative, received training on procurement on 24 November 2014. The Committee had convened four times since August and had, inter alia, approved local frame agreements with 14 suppliers. In addition, all key staff involved in supply had completed the on-line UNHCR learning courses on supply management. Further, to increase understanding of procurement policies and procedures of a wide range of staff, all finance, admin, programme and supply staff, as well as Heads of Field and Sub Offices received a training course on supply/procurement/warehouse management on 12 December 2014. There was also closer supervision of the Supply Unit by the Representative who was now thoroughly reviewing the purchases and the cases submitted to the Local Committee on Contracts. The procurement plan had also been put together. Based on the action taken and the documentation provided by the Representation, recommendation 2 has been closed.

Need to strengthen vendor management

19. The UNHCR policy on the Vendor Registration Process describes the procedures for prequalifying vendors and recording them in the vendor database. It also states that a Vendor Review Committee should be in place to facilitate and oversee the implementation of the vendor registration process.

20. A Vendor Review Committee was established by the Representation in December 2013 as required. However, the following weaknesses in the vendor registration process were noted:

- The Representation had not put in place adequate vendor vetting and evaluation procedures as stipulated in the UNHCR policy.
- The Representation did not maintain vendor files, containing required details such as registration forms, contact details, and financial reports, for its 290 vendors.
- Out of the 290 vendors on record in the Managing for Systems, Resources and People system (MSRP), the UNHCR enterprise resource planning system, only four vendors had completed the vendor registration forms at the time of the audit.
- Five vendors had more than one vendor identification number in the vendor database.

21. The above weaknesses were associated with the lack of experience of the supply staff and the vendor review committee members with the UNHCR vendor management procedures. The Representation was therefore at risk of engaging non-performing vendors. In addition, duplicate payments could have been made to vendors with duplicate identification numbers.

(3) The UNHCR Representation in Mali should: (a) establish appropriate arrangements for vendor management that include vendor registration, maintenance of comprehensive vendor files, and vendor vetting and evaluation procedures; and (b) deactivate duplicate vendors in the vendor database.

The Representation accepted recommendation 3 and stated that a request was sent out in August 2014 to all suppliers to fill out the vendor registration form, and instructions were given that no payment was to be made to any vendor (existing or new) without this form duly completed. The list of vendors in MSRP had been analysed to provide clear information on current status and next steps required for regularization. A total of 263 vendors were currently registered in MSRP, 79 of which with contracts over \$5,000. Seventy-four suppliers had submitted the vendor registration forms and related documents. Thirteen suppliers with contracts of \$5,000 or more had been reviewed and approved by the vendor review committee on 30 December 2014. The Representation had addressed an email communication to 85 suppliers who did not yet submit the required documentation and vendor registration forms, urging them to submit the documentation as soon as possible. Letters to the remaining suppliers would be sent in January 2015. Double entries of vendor profiles in MSRP had been de-activated. To ensure that the members of the vendor review committee were fully versed in the procedures and policies related to vendor registration, a training course was provided to the committee members on 28 November 2014. A physical vendor filing system had been put in place, with all relevant documents related to vendor registration duly filed. Based on the action taken and the documentation provided by the Representation, recommendation 3(b) has been closed. Recommendation 3(a) remains open pending receipt of evidence that the vendor registration, vetting and evaluation procedures for the suppliers with contracts over \$5,000 have been completed.

Need to maintain adequate records of the assets owned by the Representation but held by partners under Right of Use agreements

22. The UNHCR Manual requires that irrespective of how an asset becomes the property of UNHCR, it should be properly registered in the UNHCR asset management database. The UNHCR procedures on Annual Physical Verification of Property, Plant and Equipment require all UNHCR offices to perform a physical verification of the property, plant and equipment (PPE) assets owned by UNHCR, including those PPE assets held by implementing partners under Right of Use agreements. In addition, the UNHCR Policy on Serially Tracked Items states that physical verification of serially tracked items (STI) falls under the responsibility of the Authorizing Officer (i.e., representatives in field offices, directors of divisions and bureaux, and heads of services at Headquarters). This includes bar coding and registering of STIs in MSRP.

23. The Representation did not maintain accurate records for PPE under the custody of implementing partners issued under right of use agreements. Examples of control weaknesses identified in this regard included:

- Two vehicles each valued at \$31,500 were assigned an incorrect bar code in the right of use agreement with the implementing partner that was using the vehicles.
- A vehicle valued at \$18,726 did not appear in the right of use agreement with the concerned implementing partner.
- A partner had four vehicles under its custody but only one was recorded in the right of use agreement. One of the vehicles was no longer in working condition and needed to be written off through the Local Asset Management Board.
- PPE assets given to one implementing partner whose partnership with UNHCR had ended had not been returned to the Representation as required.

24. The Representation's STI records were also incomplete and needed to be updated to reflect all STIs under the custody of implementing partners. Weaknesses noted in this regard included the following:

- A motorbike valued at \$4,500 held by an implementing partner was not included in the right of use agreement with the partner.
- A motorbike valued at \$4,500 was recorded in MSRP under the wrong implementing partner.
- Four motorbikes each valued at \$4,500 were held by implementing partners although they were shown in MSRP as being under the custody of UNHCR.

25. The above weaknesses were due to inadequate oversight over the issuance and recording of right of use agreements and inconsistent physical verification of PPE and STI assets issued to implementing partners. This could have led to loss of accountability for UNHCR resources in case the assets had been stolen or misplaced.

(4) The UNHCR Representation in Mali should undertake a comprehensive physical verification of assets held under the custody of implementing partners, reconcile the records for property, plant and equipment and serially tracked items maintained in the Managing for Systems, Resources and People system, and update the right of use agreements with partners.

The Representation accepted recommendation 4 and stated that the composition of the Local Asset Management Board was revised to comply with UNHCR regulations. In addition, the Representation carried out a physical verification of PPE and STIs in all offices in early November. The update of the

records in the system would be completed by mid-January. The establishment of online Right of Use agreements would be completed for assets under partners' custody in January 2015. Recommendation 4 remains open pending receipt of evidence that the update and reconciliation of PPE and STI assets has been completed, which should include recording the correct quantity and location of assets held under the custody of partners both in the right of use agreements with these partners and in MSRP.

Need to strengthen the arrangements for receipt, issuance and distribution of non-food items

26. The Representation received from the UNHCR Representation in Ghana non-food-items (NFIs) amounting to \$168,418 and \$1,259,948 in 2012 and 2013 respectively, but did not adequately adhere to the UNHCR rules regarding their receipt, issuance and distribution. OIOS noted the following control deficiencies in the Field Office in Mopti:

- NFIs received in 2012 and 2013 were not recorded in MSRP and there were no supporting documents evidencing the receipt of the NFIs.
- There was no evidence supporting the issuance of NFIs from the warehouse in Mopti in 2013.
- For NFIs distributed by a partner in November and December 2013, there were numerous returns because some beneficiaries were not found. The Representation's supply staff advised the implementing partner to store the undelivered NFIs in their own office instead of returning them to the warehouse as required.

27. The above weaknesses were caused mainly by the lack of adequately trained staff in the Representation. There were also no guiding procedures and management supervision arrangements to oversee the processes related to receipt, issuance and distribution of NFIs. As a result, the Representation was not able to maintain proper accountability for these functions and was at risk of losing NFI stock.

(5) The UNHCR Representation in Mali should train its staff on warehouse management and strengthen the procedures for receipt, issuance and distribution of non-food items.

The Representation accepted recommendation 5 and stated that relevant people received a short training on warehouse and NFI management on 9 September 2014. On-the-job coaching was conducted during the mission in October 2014 of a Senior Supply Officer from the UNHCR Supply Management and Logistics Services and the Supply Officer from the Regional Office in Senegal. Instructions had been disseminated on issuance and distribution of NFIs to the logistics partner, Heads of Field Offices, and programme and supply staff. Monthly inventory reconciliation reports were also prepared. Recommendation 5 remains open pending receipt of evidence of systematic conduct of warehouse inspections by the Representation's supply staff, monitoring of distribution of NFIs, and capacity-building provided to the logistics partner.

Need to achieve Minimum Operating Security Standards compliance for all offices in Mali

28. In accordance with the United Nations Security Management System, all United Nations agencies are required to comply with the Minimum Operating Security Standards (MOSS). The Representation had taken appropriate action on several aspects relating to MOSS compliance. For example: (a) the UNHCR biannual MOSS compliance reports were prepared in July 2013 and in January 2014; (b) the UNHCR office building evacuation plan and emergency and security procedures were tested by the United Nations Department of Safety and Security in December 2012 and again by the UNHCR Field Security Advisor in May 2013; (c) important security improvements were made in the field offices in Mopti and Kayes; and (d) funding for security improvements was increased in 2014. However, not all

UNHCR offices in Mali were fully MOSS compliant and, as a result, staff continued to be exposed to safety and security risks.

(6) The UNHCR Representation in Mali should ensure full Minimum Operating Security Standards compliance of all its offices in Mali.

The Representation accepted recommendation 6 and stated that only the office in Timbuktu was not yet fully MOSS compliant. Out of seven recommendations in the latest MOSS assessment report for Timbuktu, three had been initiated and the rest would be implemented by March 2015. Recommendation 6 remains open pending receipt of confirmation that the office in Timbuktu is fully MOSS compliant.

IV. ACKNOWLEDGEMENT

29. OIOS wishes to express its appreciation to the Management and staff of the UNHCR Representation in Mali 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 Mali for the Office of the United Nations High Commissioner for Refugees

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	The UNHCR Representation in Mali should follow up on external audit recommendations pertaining to implementing partners until the recommendations are fully implemented and carry out capacity building activities for its partners.	Important	C	Action completed	Implemented
2	The UNHCR Representation in Mali should provide procurement training to supply staff and strengthen oversight by management and the Local Committee on Contracts over the procurement of goods and services.	Critical	C	Action completed	Implemented
3	The UNHCR Representation in Mali should: (a) establish appropriate arrangements for vendor management that include vendor registration, maintenance of comprehensive vendor files, and vendor vetting and evaluation procedures; and (b) deactivate duplicate vendors in the vendor database.	Critical	O	Submission to OIOS of evidence that the vendor registration, vetting and evaluation procedures for the suppliers with contracts over \$5,000 have been completed.	31 March 2015
4	The UNHCR Representation in Mali should undertake a comprehensive physical verification of assets held under the custody of implementing partners, reconcile the records for property, plant and equipment and serially tracked items maintained in the Managing for Systems, Resources and People system, and update the right of use agreements with partners.	Important	O	Submission to OIOS of evidence that the update and reconciliation of PPE and STI assets has been completed, which should include recording the correct quantity and location of assets held under the custody of partners both in the right of use agreements with these partners and in MSRP.	31 March 2015
5	The UNHCR Representation in Mali should train its staff on warehouse management and strengthen	Critical	O	Submission to OIOS of evidence of systematic conduct of warehouse inspections by the	31 March 2015

² 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.

³ 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.

⁴ C = closed, O = open

⁵ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

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

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	the procedures for receipt, issuance and distribution of non-food items.			Representation's supply staff, monitoring of distributions of the NFIs, and capacity-building provided to the logistics partner.	
6	The UNHCR Representation in Mali should ensure full Minimum Operating Security Standards compliance of all its offices in Mali.	Important	O	Submission to OIOS of confirmation that the office in Timbuktu is fully MOSS compliant.	31 March 2015

APPENDIX I

Management Response

Management Response

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

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Mali should follow up on external audit recommendations pertaining to implementing partners until the recommendations are fully implemented and carry out capacity building activities for its partners	Important	Yes		Closed	No action required
2	The UNHCR Representation in Mali should provide procurement training to supply staff and strengthen oversight by management and the Local Committee on Contracts over the procurement of goods and services.	Critical	Yes	-Supply Officer	Implemented Assessment and further training should take place until end of Q1.	<ul style="list-style-type: none"> ▪ With the strong support and guidance of the Representative, the following steps have been taken to implement the recommendation: ▪ The membership of the LCC was revised on 18 August 2014, and HCC was notified of new composition on 21 August 2014. The Committee is chaired by the Representative while the Deputy Representative is the Alternate Chairperson. ▪ All Members of the new LCC including the Deputy Representative received a training on procurement, conducted on 24/11/2014 by the Supply Officer. <p>The LCC has convened 4 times since 18 August 2014 (minutes</p>

⁶ 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.

⁷ 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 Mali for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>attached). The LCC has inter alia approved local frame agreements with 14 suppliers of which 3 already signed by the two parties(see attached). Other local FAs are being established (the related tenders or waivers to competitive bidding process are being submitted to the LCC</p> <ul style="list-style-type: none"> ▪ All key staff involved in supply completed the on-line UNHCR learning courses on Supply (number of staff and courses completed attached). ▪ PMCS, with support of the Regional Office in Senegal and the GLC, will conduct a webinar on procurement in the 2nd week of January for key supply staff. Once this webinar is completed, a review of additional training needs will take place and outcome will determine further training needs and modalities. To ensure increased understanding of procurement policies and procedures of a wide range of staff, all finance, admin, programme, supply staff as well as Heads of Field and Sub Offices received a training on Supply/Procurement/Warehouse Management training on 12/12/2014.

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

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<ul style="list-style-type: none"> There is closer supervision of the Supply Unit by the Representative. The Representative or his delegated officer reviews thoroughly the purchases and the cases submitted to LCC. The procurement plan has been put together
3	The UNHCR Representation in Mali should: (a) establish appropriate arrangements for vendor management that include vendor registration, maintenance of comprehensive vendor files, and vendor vetting and evaluation procedures; and (b) deactivate duplicate vendors in the vendor database.	Critical	Yes	-Supply Officer -Sr. Admin/Finance Officer -Finance Officer	31 December 2014	<p>The following steps have been taken to implement this recommendation:</p> <ul style="list-style-type: none"> On 21/08/14, the Snr Admin Officer a.i. sent an instruction to all Heads of Offices, Admin, Program and Supply staff to request that all suppliers fill out the vendor registration form, and instructions were given that no payment is to be made to any vendor (existing or new) without this form duly completed. The list of vendors in MSRP has been analysed in order to provide clear information on current status and next steps required for regularization: 263 vendors are currently registered in MSRP, 79 of which with contracts over 5,000 USD. i) 74 suppliers have submitted the vendor registration forms and related documents. 13 of 27 with contracts of 5,000 USD or more

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Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>have been reviewed and approved by the VRC on 30/12/2014.</p> <ul style="list-style-type: none"> • ii) The additional 14 main suppliers have submitted the documentation and related documents; they will be reviewed in next meetings of the VRC, in January 2015, as well as the remaining vendors of the database. • iii) Double entries of vendor profiles in MSRP have been deactivated (25 suppliers); • iv)The Representation has addressed an email communication to 85 suppliers who did not submit yet the required documentation and vendor registration forms, reminding them of the requirement to submit the documentation, urging them to comply ASAP, and <u>reiterating that UNHCR will not engage in further procurement with specific suppliers until such time that required documentation has been submitted, reviewed and approved. Letters to the remaining suppliers will be sent in January 2015.</u> • To ensure that the members of the VRC are fully versed in the procedures and policies related to

Management Response

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Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>vendor registration, a training was conducted for the VRC members on 28 November 2014.</p> <ul style="list-style-type: none"> • An adequate physical vendor filing system has been put in place, with all relevant documents related to vendor registration duly filed.
4	<p>The UNHCR Representation in Mali should undertake a comprehensive physical verification of assets held under the custody of implementing partners, reconcile the records for property, plant and equipment and serially tracked items maintained in the Managing for Systems, Resources and People system, and update the right of use agreements with partners.</p>	Important	Yes	<p>-Supply Officer -Programme Officer</p>	31 March 2015	<ul style="list-style-type: none"> ▪ On 18 August 2014 the composition of the LAMB was revised to comply with UNHCR regulations. ▪ In accordance with instructions, UNHCR Mali carried out a physical verification of PPEs in all Offices Early November. (Attached is the PPE Physical Verification Report as of 24 December 2014). ▪ UNHCR Mali carried out a STI physical verification Early November. The update of the system will be completed by Mid-January. ▪ Following the physical verification of PPEs, establishment of online Right of Use agreements will be completed for assets under IPs custody by Mid-January 2015. In the meantime the Office has been issuing off line RoUs.

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Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
5	The UNHCR Representation in Mali should train its staff on warehouse management and strengthen the procedures for receipt, issuance and distribution of non-food items.	Critical		Supply Officer Programme Officer	Implemented Assessment and further training should take place until end of Q1.	<ul style="list-style-type: none"> ▪ Various steps have been taken to improve warehouse management: ▪ i) Relevant people received a short training on Warehouse and NFI management, conducted in Bamako on 09/09/2014 in the margins of a workshop on Shelter Strategy. List to be provided. ▪ On-the-job coaching was conducted during the mission in October 2014 of a Snr. Supply Officer from SMLS and a Supply Officer from the Regional Office in Senegal. ▪ Monthly Reconciliation Reports are prepared (latest report of 30 November 2014 as submitted to SMLS attached). ▪ A webinar on warehouse management will be conducted in the 3rd week of January, by SMLS in coordination with the Reg. Office in Senegal and the GLC. ▪ After this webinar, a review of additional training needs will be conducted, and outcome will determine further training needs and modalities. ▪ Through mails exchange of 25 and 27 October 2014 the Supply Officer disseminated instructions on issuance and distribution of NFIs to the Logistics Partner, Head of Field Offices,

Management Response

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

Rec. no.	Recommendation	Critical/ ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						Programme and Supply staff,
6	The UNHCR Representation in Mali should ensure full Minimum Operating Security Standards compliance of all its offices in Mali.	Important	Yes	-FSA -Sr. Admin/Finance Officer -Supply Officer -HOSO Tombouctou	31 March 2015	<ul style="list-style-type: none"> ▪ AFSA has traveled to Tombouctou and submitted the attached MOSS updated report. Out of seven recommendations, three have been initiated (X-ray machines, film anti-blast and installation of a video surveillance system). The rest will be implemented by March 2015.