



## INTERNAL AUDIT DIVISION

### REPORT 2015/192

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

Overall results relating to effective management of the operations in the Russian Federation were initially assessed as partially satisfactory. Implementation of two important recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

29 December 2015

Assignment No. AR2015/121/03

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# AUDIT REPORT

## Audit of the operations in the Russian Federation 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 the Russian Federation 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 the Russian Federation (hereinafter referred to as ‘the Representation’) started its operations in Moscow in 1991. The objectives of the Representation were to provide protection support and material assistance to refugees and asylum seekers and to support the Russian Government in its efforts to address statelessness resulting from the break-up of the former Soviet Union. The operational context for UNHCR in the Russian Federation changed considerably in 2014 due to the armed conflict in Ukraine, a new draft asylum Act, and new legislation and implementation rules for non-governmental organizations in the country. At the time of the audit, the Representation was assisting 235,750 refugees, 3,086 returnees, 113,474 stateless persons, and 21,126 other persons of concern.
4. The Representation was headed by a Representative at the D-1 level and had 22 staff members. To implement its projects, the Representation worked with ten partners in 2014 and eight in 2015. It had total expenditure of \$5.6 million in 2014 and \$4.9 million for the six-month period up to 30 June 2015.
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 the Russian Federation**.
7. The audit was included in the OIOS 2015 risk-based internal audit work plan for UNHCR due to risks associated with the growth and complexity of the operations in the Russian Federation.
8. The key controls tested for the audit were: (a) strategic planning; (b) project management; and (c) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:
  - (a) **Strategic planning** - controls that provide reasonable assurance that the Representation’s strategic planning for its programme and protection activities are implemented in alignment with the UNHCR global strategic priorities.

(b) **Project management** - controls that provide reasonable assurance that there is proper planning and implementation as well as accurate and complete monitoring and reporting of the Representation's project activities.

(c) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide the management of UNHCR operations in the Russian Federation; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.

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

10. OIOS conducted the audit from August to October 2015. The audit covered the period from 1 January 2014 to 30 June 2015. The audit team visited the Representation's Country Office in Moscow and refugee reception centres in Moscow and Pyatigorsk.

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 and analytical reviews, 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 the Russian Federation**. OIOS made six recommendations to address issues identified in the audit.

13. The Representation complied with the required safety and security standards. However, there was a need for the Representation to: (i) conduct needs assessments for strategic planning purposes in line with UNHCR requirements; (ii) develop procedures for management of the refugee reception centres; (iii) map the stateless population, conduct a review of the resettlement activities and develop a policy framework for assisted voluntary return; (iv) strengthen performance monitoring of projects implemented by partners; (v) strengthen controls over monthly reporting to headquarters, delegation of authority plan, and voucher preparation and review process; and (vi) ensure full compliance with UNHCR requirements for procurement planning, vendor management and procurement oversight.

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 implementation of two important recommendations remains in progress.

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<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.

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 the Russian Federation	(a) Strategic planning	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(b) Project management	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(c) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
<b>FINAL OVERALL RATING: PARTIALLY SATISFACTORY</b>					

### A. Strategic planning

Needs assessments for strategic planning purposes needed to be conducted in line with requirements

15. The UNHCR Global Management Accountability Framework requires the Representation to develop a Country Operations Plan that identifies the objectives for different population planning groups. The Country Operations Plan should be prepared on the basis of a comprehensive needs assessment conducted through an Age, Gender, and Diversity Mainstreaming (AGDM) exercise.

16. The Representation did not conduct an AGDM exercise in 2014. However, it stated that for the purpose of identifying the needs of its persons of concern it had undertaken informal consultations with refugee communities. In 2015, the Representation conducted a needs assessment through the AGDM approach and identified protection priorities for different population planning groups. However, the 2015 AGDM exercise was done only with 70 persons of concern in the Moscow region while the Representation's registered caseload was spread throughout the Russian Federation.

17. The Representation attributed the reason for not conducting the AGDM to shortage of budgetary resources. This resulted in the Representation not being able to gather and analyze complete information on the needs of its persons of concern to assist in identifying its operational priorities.

**(1) The UNHCR Representation in the Russian Federation should put in place controls, including through allocation of adequate resources, for conducting the annual needs assessment through an Age, Gender and Diversity Mainstreaming exercise.**

*UNHCR accepted recommendation 1 and stated that the Representation conducted participatory assessment exercises in November 2015 in Saratov, Tambov, St. Petersburg and Vladikavkaz. A consolidated AGDM report was prepared following the assessment. Based on the action taken and documentation provided by UNHCR, recommendation 1 has been closed.*

There was a need to develop procedures for management of the refugee reception centres

18. The UNHCR Protection Manual requires the Representation to: (i) establish a Protection Strategy for its operations; (ii) maintain all refugee reception centres that it operates with due consideration to age and gender sensitivity requirements; (iii) transparently display information on UNHCR support provided

to the persons of concern; (iv) ensure reliability and confidentiality of the vulnerability and legal and social assistance information captured on persons of concern; (v) document the composition and experience of the panel members charged with undertaking best interest determinations/assessments; and (vi) ensure that appropriate Standard Operating Procedures are developed for all key protection activities.

19. The Representation prepared a Protection Strategy which focused on advocacy for fair and efficient asylum procedures, better reception conditions, fair processing at the borders, and improved legal standards and prevention of *refoulement*. As part of its strategic objective to foster the role of non-governmental organizations within the Russian asylum system, its three refugee reception centres were managed by partners. However, a review of the Representation's protection procedures indicated the following control weaknesses:

- The reception arrangements at one refugee reception centre maintained by a partner did not comply with the UNHCR age and gender sensitivity requirements. In addition, the Representation had not ensured that UNHCR campaign material on asylum procedures was displayed in the waiting areas. Further, the Representation had not ensured that the partner sufficiently safeguarded the confidentiality of the records maintained at the reception centre which contained legal and social assistance information related to refugees.
- The Representation did not undertake independent reviews and reconciliations of vulnerability data maintained on new asylum seekers which were entered into an Excel sheet outside *proGres*, the UNHCR information technology application used for registering persons of concern.
- Although the Representation conducted best interest determinations/assessments through a panel, it did not maintain documentation on the composition of the panel, the experience of the panel members, and the person responsible for supervising the process.
- The Representation did not have up-to-date Standard Operating Procedures on Best Interest Determinations/Assessments, Handling of Sexual and Gender Based Violence Cases; Reception Arrangements for New Arrivals at Reception Centres, and Resettlement Activities, although they were all priority protection areas for the Representation.

20. The above shortcomings occurred because of lack of appropriate procedures to guide the partners managing the reception centres and shortage of capacity in the Representation's Protection Unit. As a result, the Representation was at risk of not addressing the protection needs of its persons of concern in a structured and holistic manner and in line with its Protection Strategy. To address the capacity problem, while the audit was still ongoing the Representation filled the vacant post of Head of the Protection Unit.

**(2) The UNHCR Representation in the Russian Federation should develop appropriate procedures for managing the refugee reception centres.**

*UNHCR accepted recommendation 2 and stated that the Representation had prepared Standard Operating Procedures for all the partners maintaining refugee reception centres. Based on the action taken and documentation provided by UNHCR, recommendation 2 has been closed.*

To support durable solutions for persons of concern, the Representation needed to map the stateless population, review its resettlement activities and develop a policy framework for assisted voluntary return

21. According to the UNHCR Framework for Durable Solutions, the Representation is required to identify and seek durable solutions to its persons of concern. The UNHCR Action to Address Statelessness requires the Representation to identify the stateless population in the Russian Federation and their situations through, *inter alia*, a mapping exercise. The UNHCR Resettlement Handbook requires the Representation to conduct an annual review of resettlement cases and a fraud vulnerability assessment

of its resettlement activities. According to its own Protection Strategy, the Representation is required to prepare a policy and procedures on assisted voluntary return of refugees to their country of origin.

22. The Representation undertook a local integration study in 2014 and arranged round table conferences with the partners and the Federal Migration Service of the Government of the Russian Federation for prevention of statelessness in the country. The Representation also resettled 358 persons of concern as of August 2015 from its legacy caseload, i.e., a group of persons of concern that were registered as refugees between 1993 and 2011. It was seeking solutions for the remaining legacy caseload. The Representation also introduced a project for assisted voluntary return of persons who were no longer in need of international protection. However, a review of the Representation's arrangements in supporting durable solutions to the persons of concern indicated the following shortcomings:

- Although the Representation obtained census information on stateless persons from the Russian Federation, it did not have accurate and up-to-date information obtained through a mapping exercise for conducting in-depth analysis of protection problems, as well as for identifying targeted actions to address them and measuring results. The Representation explained that this was a very resource intensive exercise that would take a number of years to complete.
- The Representation did not conduct an annual review of its resettlement practices and procedures, or even periodic random checks of the resettled cases. It also did not carry out fraud vulnerability assessments of its resettlement programme.
- The Representation did not have an approved policy and procedures for assisted voluntary return.

23. The cited shortcomings happened because the Representation did not enforce the requirements for mapping the stateless population, reviewing resettlement activities, and developing a policy framework for assisted voluntary return. Consequently, the Representation was exposed to the risk of not being able to effectively plan and implement its mandate in meeting durable solutions for its persons of concern.

**(3) The UNHCR Representation in the Russian Federation should: (i) develop procedures for identifying stateless persons and their vulnerabilities through a multi-year mapping exercise; (ii) undertake an annual review and fraud vulnerability assessment of the resettlement activities; and (iii) develop a policy framework for assisted voluntary return.**

*UNHCR accepted recommendation 3 and stated that the Representation had: (i) prepared a strategy for the mapping of stateless persons; and (ii) undertaken the fraud vulnerability assessment and fraud risk assessment related to resettlement. UNHCR further confirmed that the Representation would no longer be implementing the assisted voluntary return activity in 2016. Based on the action taken and documentation provided by UNHCR, recommendation 3 has been closed.*

## **B. Project management**

Performance monitoring of projects implemented by partners needed strengthening

24. According to UNHCR Implementing Partnership Management Guidance, the Representation is required to ensure that projects implemented by partners are monitored through site visits and meetings with the partners. It should develop a risk-based monitoring plan for the conduct of financial and performance monitoring activities, which should, *inter alia*, assess the progress in project implementation and ensure that the partner's performance reported through their annual performance reports is aligned with the targets set in the Project Partnership Agreements and the financial expenditures incurred.

25. The Representation concluded Project Partnership Agreements totalling \$1.7 million in 2014 and \$1.3 million in 2015. These included agreements on legal assistance to be provided through advocates employed by partners valued at \$1.0 million. The Representation developed a structured monitoring plan and conducted financial verification of each project on a quarterly basis. It verified the Implementing Partner Final Reports to establish the completeness and occurrence of the reported expenditures and ensured that the partners maintained accounts for the receipt and disbursements of funds and conducted periodic bank reconciliations. However, the Representation did not conduct adequate performance monitoring of partners as observed in the following instances:

- Although the Representation's protection staff verified the quality of legal services on a case-by-case basis, the monitoring teams did not monitor the overall quality and timeliness of the legal services provided by advocates to the persons of concern. As a result, a legal partner, in its 2014 annual performance report, reported on only one out of the required two targets set in the Project Partnership Agreement and could not provide documentary evidence of the achievement reported. Another partner reported achievement of 80 per cent against a target of 70 per cent in respect of one performance indicator, but could not provide evidence in support of this achievement.
- Noting a concern in the quality of services provided by the partners, particularly one major partner providing legal services, the UNHCR Organizational Development and Management Service in 2013 had recommended that the Representation should develop qualitative benchmarks and indicators for improved collaboration with partners. However, the Representation had not taken appropriate action to implement this recommendation.
- The Representation developed criteria for selection of beneficiaries for cash based assistance through a partner, but it did not adequately monitor the partner's performance in providing cash based assistance using a risk based approach.

26. The cited weaknesses arose due to inadequate supervision of the Representation's performance monitoring teams and lack of awareness of the team members of the need to assess the progress of project implementation and its correlation with project agreements. Consequently, in 2014, the Representation did not achieve the targets in 16 out of 28 (57 per cent) performance indicators reported in FOCUS, the UNHCR system used for results based management.

**(4) The UNHCR Representation in the Russian Federation should: (i) put in place arrangements to ensure adequate supervision of project performance monitoring activities; and (ii) develop a training programme for the monitoring teams to ensure that they assess the progress of project implementation by partners through a risk based approach.**

*UNHCR accepted recommendation 4 and stated that the Representation: (i) ensured that a thorough review of performance indicators was performed by the multi-functional teams in October 2015. Thereafter, a standard monitoring matrix was developed by the teams which would be used from 1 January 2016 onwards. The monitoring process would involve staff from both UNHCR and the partners; and (ii) conducted a training programme in December 2015 for the multi-functional teams. Based on the action taken and documentation provided by UNHCR, recommendation 4 has been closed.*

## C. Regulatory framework

### There was a need to strengthen controls over monthly reporting to headquarters, delegation of authority plan, and voucher preparation and review process

27. The UNHCR Manual requires the Representation to: (i) liquidate receivables (open items) and include a list of open items in the monthly reports to be sent to UNHCR Division of Financial and Administrative Management. The Manual also requires the Representation to ensure that all payment vouchers are signed by Approving Officers, supported by adequate documentation, and stamped as “Paid” upon payment. In addition, UNHCR Financial and Internal Control Framework and Delegation of Authority Plan require the Representation to delegate administrative and financial powers to field staff according to their responsibilities.

28. OIOS review of a sample of 60 vouchers totalling \$3.7 million and representing 75 percent of the total expenditure incurred during the period covered by the audit observed the following weaknesses:

- As of July 2015, the Representation had not liquidated two open items beyond their stipulated standard recovery period of six months. One item totalling \$19,033 remained pending since December 2005 while the other item for \$1,304 remained pending since August 2011. In addition, the monthly reports sent to the Division of Financial and Administrative Management did not include a list of open items.
- The Representation did not: (i) obtain signatures of the approving authority for purchase order vouchers in seven cases totalling \$137,690; (ii) make payments based on the original invoice in three cases totalling \$29,748; and (iii) stamp paid vouchers as “Paid” in any of the 60 vouchers tested.
- One staff member had a conflicting authorization of Spending Approver and Purchase Approver in the Representation’s Delegation of Authority Plan. In addition, another staff member made a payment authorization of \$91,549 for instalment payments to a partner in April 2014 which was beyond the staff member’s authorization limit of \$60,000.

29. The main reason for the cited weaknesses was inadequate monitoring and supervision of the Representation’s financial management processes, in addition to the need to reinforce the financial management skills of staff responsible for these activities. Consequently, the Representation was exposed to risks related to potential fraudulent activities or inadvertent errors.

**(5) The UNHCR Representation in the Russian Federation should develop: (i) an action plan, including in terms of monitoring and supervision arrangements, for ensuring periodic review and management of open items, correct processing of vouchers and establishment of the Delegation of Authority Plan as per UNHCR Financial Rules; and (ii) a training programme on UNHCR financial management requirements for staff responsible for finance activities.**

*UNHCR accepted recommendation 5 and stated that the Representation: (i) was in the process of reviewing the two long pending open items with the assistance of the Bureau for Europe; and (ii) would ensure that the required training programme for the finance staff is promptly completed. Recommendation 5 remains open pending receipt of evidence of: (i) closure of the two long outstanding open items; and (ii) completion of the training programme by the finance staff.*

The Representation needed to ensure full compliance with the established procurement rules and procedures in the areas of procurement planning, vendor management and procurement oversight

30. The Representation is required to comply with UNHCR procurement rules and procedures, which include: (i) preparing a needs based annual procurement plan and initiating procurement activities in accordance with the plan to facilitate transparent and competitive procurement; (ii) establishing an effective vendor management system through a Vendor Review Committee; and (iii) ensuring adequate oversight over the procurement activities through a Local Committee on Contracts.

31. In 2014 and 2015, the Representation procured goods and services totaling \$0.6 million. It constituted a Vendor Review Committee and a Local Committee on Contracts, and both committees met at regular intervals. The Local Committee on Contracts authorized procurement of goods and services totalling \$95,147 during the period of audit. Review of the Representation's controls over procurement planning, vendor management, and procurement procedures indicated the following control weaknesses:

- The procurement plan prepared by the Representation contained only a list of information technology hardware it proposed to replace during the year. The plan did not contain in sufficient detail the information on the quantity of goods and services required to be procured, period during which they were required, and the sourcing method. Consequently, at the end of 2014, purchase orders placed for delivery of goods and services totaling \$80,881, which included information and communication technology equipment worth \$55,000 procured through the Procurement Management and Contracting Service at UNHCR headquarters, remained pending delivery, some items for over three months.
- The Vendor Review Committee did not undertake its required task of evaluating the performance of the vendors that supplied goods and services to the Representation.
- The Representation issued purchase orders only after having received the goods and services in 130 cases totalling \$115,218.
- For executing the rehabilitation works of a temporary accommodation centre involving \$92,217, the Representation: (i) did not solicit and evaluate the technical and financial bids separately, as required; and (ii) did not allow the required 10-14 calendar days to the vendors for submission of their bids.

32. The main reason for the above weaknesses was the lack of adequate knowledge of UNHCR procurement procedures among the staff involved in procurement process and vendor review, in addition to inadequate management oversight arrangements over the procurement and vendor management activities. As a result, the Representation was exposed to a risk of not getting value for money on its procurement of goods and services.

**(6) The UNHCR Representation in the Russian Federation should: (i) put in place adequate oversight arrangements to ensure that the annual procurement plan is prepared in advance of the project year and that the Vendor Review Committee completes the performance review of all vendors; and (ii) develop a training programme for staff involved in procurement and vendor management activities.**

*UNHCR accepted recommendation 6 and stated that the Representation: (i) prepared a detailed procurement plan for 2016; and (ii) would complete the vendor performance review on receipt of the goods and services requisitioned in 2015. Recommendation 6 remains open pending receipt of evidence indicating completion of the vendor performance review initiated by the Representation.*

Appropriate actions were taken to ensure compliance with the required safety and security standards

33. In accordance with the United Nations Security Management System, all United Nations agencies are required to comply with the Minimum Operating Security Standards.

34. The United Nations Security Management Team for the Russian Federation in its meeting held in February 2015 approved the Security Plan, Security Risk Assessment, Minimum Operating Security Standards and Minimum Operating Residential Security Standards for the Russian Federation, which were subsequently endorsed by UNHCR. The Representation spent \$32,000 on security related goods and services during the period covered by the audit. Its offices and installations were assessed as 100 per cent Minimum Operating Security Standards compliant as per the self-compliance reports it had sent to UNHCR headquarters regularly. The Representation conducted security warden training for the newly appointed staff in May 2015; recharged all fire extinguishers of the office building; tested the fire suppression system regularly; trained its staff on emergency evacuation procedures; and established a fire alarm notification system. The Representation also complied with the United Nations Department of Safety and Security recommendations from March 2014 requiring the installation of security equipment and preparation of security documentation for a refugee reception centre managed by a partner in Moscow. OIOS concluded that the Representation had taken appropriate actions to ensure compliance with the required safety and security standards.

#### **IV. ACKNOWLEDGEMENT**

35. 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 operations in the Russian Federation 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 the Russian Federation should put in place controls, including through allocation of adequate resources, for conducting the annual needs assessment through an Age, Gender and Diversity Mainstreaming exercise.	Important	C	Action completed	Implemented
2	The UNHCR Representation in the Russian Federation should develop appropriate procedures for managing the refugee reception centres.	Important	C	Action completed	Implemented
3	The UNHCR Representation in the Russian Federation should: (i) develop procedures for identifying stateless persons and their vulnerabilities through a multi-year mapping exercise; (ii) undertake an annual review and fraud vulnerability assessment of the resettlement activities; and (iii) develop a policy framework for assisted voluntary return.	Important	C	Action completed	Implemented
4	The UNHCR Representation in the Russian Federation should: (i) put in place arrangements to ensure adequate supervision of project performance monitoring activities; and (ii) develop a training programme for the monitoring teams to ensure that they assess the progress of project implementation by partners through a risk based approach.	Important	C	Action completed	Implemented
5	The UNHCR Representation in the Russian Federation should develop: (i) an action plan, including in terms of monitoring and supervision	Important	O	Submission to OIOS of evidence of: (i) closure of the two long pending open items; and (ii) completion of the training programme by the	29 February 2016

<sup>2</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>3</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<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 the Russian Federation 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>
	arrangements, for ensuring periodic review and management of open items, correct processing of vouchers and establishment of the Delegation of Authority Plan as per UNHCR Financial Rules; and (ii) a training programme on UNHCR financial management requirements for staff responsible for finance activities.			finance staff.	
6	The UNHCR Representation in the Russian Federation should: (i) put in place adequate oversight arrangements to ensure that the annual procurement plan is prepared in advance of the project year and that the Vendor Review Committee completes the performance review of all vendors; and (ii) develop a training programme for staff involved in procurement and vendor management activities.	Important	O	Submission to OIOS of evidence of completion of the vendor performance review.	29 February 2016

# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of the operations in the Russian Federation 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 the Russian Federation should put in place controls, including through allocation of adequate resources, for conducting the annual needs assessment through an Age, Gender and Diversity Mainstreaming exercise.	Important	Yes	Associate Protection Officer	Completed – November 2015	The Representation conducted participatory assessment exercises in November 2015 in Saratov, Tambov, St. Petersburg and Vladikavkaz. A consolidated Age, Gender and Diversity Mainstreaming report was prepared following the assessment.
2	The UNHCR Representation in the Russian Federation should develop appropriate procedures for managing the refugee reception centres.	Important	Yes	Senior Protection Officer	Completed – December 2015	Standard Operating Procedures for all the partners maintaining refugee reception centers have been finalized.
3	The UNHCR Representation in the Russian Federation should: (i) develop procedures for identifying stateless persons and their vulnerabilities through a multi-year mapping exercise; (ii) undertake an annual review and fraud vulnerability assessment of the resettlement activities; and (iii) develop a policy framework for assisted voluntary return.	Important	Yes	Senior Protection Officer	Completed – December 2015  Completed - December 2015  Completed – November 2015	(i) A Strategy for the mapping of stateless persons has been developed.  (ii) The fraud vulnerability assessment and fraud risk assessment have been undertaken.  (iii) In 2016, the Representation will not be implementing the assisted voluntary return (AVR) activity. The AVR strategy for 2014 ad 2015 was shared with the auditors in November.
4	The UNHCR Representation in the Russian Federation should: (i) put in place arrangements to ensure adequate supervision of project performance monitoring activities; and (ii) develop a	Important	Yes	Programme Officer	Completed – October 2015	(i) The Representation ensured that a thorough review of performance indicators was performed by the multi-functional teams (MFT) and also with the partners in October

<sup>6</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>7</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## Management Response

## Audit of the operations in the Russian Federation 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
	training programme for the monitoring teams to ensure that they assess the progress of project implementation by partners through a risk based approach.				Completed - November 2015	2015. Thereafter, a standard monitoring matrix was developed by the MFT that will be used for monitoring from 1 January 2016 onwards. The monitoring process will involve staff from both UNHCR and the partners.  (ii) In December 2015 training for multi-functional teams took place (with participation of staff from the Protection, Programme and Admin/Finance Units).
5	The UNHCR Representation in the Russian Federation should develop: (i) an action plan, including in terms of monitoring and supervision arrangements, for ensuring periodic review and management of open items, correct processing of vouchers, and establishment of the Delegation of Authority Plan as per UNHCR Financial Rules; and (ii) a training programme on UNHCR financial management requirements for staff responsible for finance activities.	Important	Yes	Admin/Finance Officer	Ongoing  February 2016	(i) The Representation is reviewing the two long pending open items with the assistance of the Europe Bureau.  (ii) The Representation will ensure that the required training programme by the finance staff is promptly completed.
6	The UNHCR Representation in the Russian Federation should: (i) put in place adequate oversight arrangements to ensure that the annual procurement plan is prepared in advance of the project year and that the Vendor Review Committee completes the performance review of all vendors; and (ii) develop a training programme for staff involved in	Important	Yes	Admin/Finance Officer	Completed – November 2015  February 2016	(i) The detailed 2016 procurement plan has been completed.  (ii) The 2015 vendor performance review will be completed after all goods and services are delivered.

Management Response

Audit of the operations in the Russian Federation 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
	procurement and vendor management activities.					