



INTERNAL AUDIT DIVISION

REPORT 2016/100

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

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

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

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AUDIT REPORT

Audit of the operations in Niger 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 Niger 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 Niger (hereinafter referred to as ‘the Representation’) commenced its operations in June 1975 but closed in December 2006 due to a reduction in the refugee caseload. From 2006 to 2012, there was only a small UNHCR presence in Niamey, the capital of Niger, under the supervision of the UNHCR Regional Office based in Dakar, Senegal. Because of the crisis in Mali which started in January 2012, the Representation’s operations escalated with the need to assist refugees in Niger with international protection and humanitarian assistance. The Representation has been a stand-alone country operation since 1 January 2013. As of December 2015, UNHCR assisted 124,721 refugees, including 56,012 Malians, 68,321 Nigerians and 388 persons of other nationalities in Niger. There were also about 137,337 Internally Displaced People in the country. The Representative’s strategic priorities for 2015 were: (i) strengthening self-reliance and resilience of Malian refugees; (ii) enhancing community empowerment and self-reliance for some 3,000 Nigerien returnees from Mali; and (iii) continuing to offer basic emergency assistance, such as shelter, health, water, food and non-food items (NFIs), as well as protection for the Nigerian refugees and Nigerien returnees living in the Diffa region.
4. The Representation had its Country Office in Niamey, a Sub-Office in Zinder, and five Field Offices in Ouallam, Abala, Tahoua, Tillabery and Diffa. The Representation was headed by a Representative at the D-1 level. As of 31 December 2015, the Representation had 133 posts. The Representation had expenditure of \$26.5 million in 2014 and \$27.9 million in 2015. It worked with 19 partners in 2014 and 20 in 2015. The total expenditure of these partners in 2014 and 2015 amounted to \$14.2 million and \$14.4 million respectively, and accounted for 77 per cent and 76 per cent respectively of the Representation’s programme-related expenditures during those years.
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 Niger**.
7. The audit was included in the OIOS 2016 risk-based internal audit work plan for UNHCR due to risks related to the implementation of programme and protection activities in Niger, particularly those associated with the large caseload of Malian and Nigerian refugees.

8. The key controls tested for the audit were: (a) strategic planning and monitoring; (b) project management; and (c) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:

- (a) **Strategic planning and monitoring** - controls that provide reasonable assurance that the Representation's strategic plans for its programme and protection activities are developed in alignment with the UNHCR global strategic priorities and in accordance with established planning procedures and guidelines, and are effectively monitored.
- (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 the operations in Niger; (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 January to April 2016. The audit covered the period from 1 January 2014 to 31 December 2015. OIOS visited the Country Office in Niamey, the Sub-Office in Zinder, two Field Offices in Ouallam and Tillabery, and two refugee camps.

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**¹ in providing reasonable assurance regarding the **effective management of UNHCR operations in Niger**. OIOS made five recommendations to address issues identified.

13. The Representation had adequate controls in place over strategic planning and monitoring. However, there was a need for the Representation to: (i) strengthen controls over partnership management, particularly in respect of procurement by partners; (ii) strengthen controls over management of cash-based interventions; (iii) address the capacity requirements for ensuring adequate monitoring and impact assessment of the livelihoods programme; [REDACTED] and (v) strengthen supervision and oversight arrangements over procurement and vendor management.

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 five important recommendations remains in progress.

¹ 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 Niger	(a) Strategic planning and monitoring	Satisfactory	Satisfactory	Satisfactory	Satisfactory
	(b) Project management	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(c) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A. Strategic planning and monitoring

The Representation had adequate controls in place for strategic planning and monitoring

15. According to UNHCR Programme Manual, the Representation is required to prepare an annual operations plan that is aligned with UNHCR’s global strategic priorities. For this purpose, it is required to conduct a needs assessment using an Age and Gender Diversity participatory approach to define its protection and operational strategies. The Representation is required to ensure that the operations plan is developed by linking objectives to project activities and resources required. The Representation also needs to monitor and report on the implementation of the operations plan at mid-year and year-end.

16. The Representation prepared operations plans for 2014 and 2015 that were aligned with the UNHCR global strategic priorities and based on an assessment of the needs of the population of concern. The needs assessment exercise during both years was undertaken by following an Age and Gender Diversity participatory assessment approach. Needs assessments were conducted for all main populations of concern in main locations. The operations plans defined appropriate indicators and targets, as well as resource requirements for achieving them. The Representation also developed a protection strategy as part of the operations plans, and standard operating procedures (SOPs) for all key protection areas. At the mid-year review stage, the Representation reviewed areas where it was underperforming and took corrective action, including revising targets and indicators. Therefore, OIOS concluded that the Representation had adequate controls in place for strategic planning and monitoring.

B. Project management

There was a need to strengthen controls over partnership management, particularly in respect of procurement by partners using UNHCR funds

17. The UNHCR Enhanced Framework for Implementing with Partners requires the Representation to: (i) sign Project Partnership Agreements (PPAs) in December for the subsequent project year; (ii) comply with the prescribed calculation methodology related to UNHCR’s contribution towards Project Headquarters Support Costs (PHSC) of international partners; (iii) establish an Implementing Partnership Management Committee (IPMC) to assist the Representative in making partner selection and retention

decisions following a transparent procedure; (iv) limit procurement by partners to those occasions where partners have a proven advantage, and conduct an assessment of the partners' capacity to procure goods and services using UNHCR funds before designating procurement authority to them; and (v) establish risk-based plans for performance and financial monitoring to be conducted by multi-functional teams to verify the progress in project activities and the expenditures reported.

18. In respect of signing of PPAs and calculation of PHSC, OIOS observed the following deficiencies:

- None of the agreements for 2014 and 2015 were signed by December of the previous year. Of the 12 PPAs starting on 1 January 2014, 10 were signed in or after March 2014 (4 in March, 5 in April and 1 in June). Some improvement was observed in 2015; however, of the 18 PPAs starting on 1 January 2015, 6 were signed in February and 3 in March.
- The Representation made five overpayments of PHSC in 2015 totalling \$20,965 and six underpayments totalling \$43,727. Most of the deviations were caused by miscalculation.

19. Although the IPMC was established in July 2013, it was involved only partially in partner selection and retention decisions, as observed by OIOS in the following instances:

- For 2014, the IPMC followed the formal selection process only in the case of six partners, although the Representation worked with 19 partners during that year. Instead, in October 2014, the Representative submitted a memo to the Implementing Partnership Management Service in headquarters to seek a waiver from applying the full partnership selection process for the emergency operation in Diffa region. This request was related to selection of six additional partners involved in the operation for the remainder of 2014 as well as 2015. However, the waiver was not granted by the Implementing Partnership Management Service because the request pertained to PPAs which had already been signed. Nevertheless, the Representation proceeded with these projects. Of the remaining projects for 2014, four were conducted by government institutions for which the UNHCR procedures required the Representative to make a formal and documented decision on whether or not they had a unique mandate that could not be assumed by another organization. However, such a decision was not documented.
- For 2015, when the Representation worked with 20 partners, IPMC followed due process for the selection of only seven partners. In addition, for six governmental institutions, the Representation again did not make a formal and documented decision on whether these government partners had a unique mandate.

20. In respect of procurement entrusted to partners, OIOS observed the following deficiencies:

- The Representation did not conduct a cost-benefit analysis to determine whether procurement by partners would be advantageous compared to direct implementation. Such an analysis was all the more important in Niger, taking into account the value-added tax of 17 per cent which, unlike partners, the Representation was not obliged to pay. The absence of this control was particularly relevant for the procurement of drugs and medical supplies, for which international procurement was required by UNHCR rules on supply management. The Representation entrusted procurement of such items for a total of \$342,000 to both international and local partners in 2014 and 2015. It cited the very long lead time for international procurement for drugs and medical supplies as the reason for proceeding with local procurement.

- For 2015, the Representation entrusted procurement to 19 partners with a cumulative procurement value of \$2.7 million. In line with the UNHCR policy issued on 1 November 2014 regarding procurement by partners, IPMC was required to assess the procurement capacity of all these partners, and the formal approval of the Representative for designating procurement to them had to be obtained before signing PPAs. However, the capacity of the partners was not assessed and IPMC did not play any role in the decisions regarding designation of procurement to partners. Instead, for the procurement of construction and related materials totalling \$645,885 which was entrusted to three partners, the Representation submitted the request for review and approval of the Local Committee on Contracts (LCC), although after 1 November 2014 the LCC had no further responsibilities regarding procurement by partners.

21. The Representation established a multi-functional monitoring team and prepared a risk-based monitoring plan covering both financial and performance monitoring activities. OIOS reviewed ten financial verification reports, all of which showed that the Representation had verified the existence and relevance of supporting documentation. However, in most cases, the monitoring team did not review compliance of partners with the agreed procurement rules and procedures. Only two of the ten verification reports contained evidence of review of competitive bidding procedures.

22. The main reason for these control deficiencies, apart from the difficult operating environment and the sudden growth of the Malian and Nigerian refugee caseload, was the lack of awareness of the Representation's staff with the changes in UNHCR policies and procedures related to partnership management. As a result, the Representation was exposed to the risk of failure to achieve the intended project objectives and to obtain best value from projects implemented by partners.

(1) The UNHCR Representation in Niger should develop and implement an action plan to increase staff awareness and strengthen management controls to ensure that the requirements for signing of partnership agreements, calculation of Project Headquarters Support Costs, selection and retention of partners, and procurement by partners are systematically complied with, and the associated risks are effectively managed.

UNHCR accepted recommendation 1 and stated that the Representation was preparing training for the IPMC members and the programme staff in Niger on the roles and responsibilities of the committee and the calculation of PHSC. A team composed of Supply, Project Control and Programme staff had started a joint evaluation of partners' procurement capacity. Recommendation 1 remains open pending receipt of evidence of: (i) completion of training on the roles and responsibilities of IPMC and the calculation of PHSC; (ii) an action plan to conclude PPAs in a timely manner; (iii) recovery of overpaid PHSC and reimbursement of underpaid PHSC in 2015; (iv) adequate selection and retention procedures conducted for 2017 projects; (v) completion of procurement capacity assessments of all partners that are undertaking procurement on UNHCR's behalf; and (vi) systematic review of procurement activities conducted by partners in 2016.

There was a need to strengthen controls over management of cash-based interventions

23. The UNHCR Programme Manual and Operational Guidelines for Cash-Based Interventions (CBIs) require the Representation to: (i) establish adequate controls, such as through issuance of SOPs, for delivering its cash assistance programmes, and (ii) conduct post-distribution assessment of the impact of the cash assistance programmes.

24. The Representation distributed vouchers for NFIs jointly with an international partner and also made direct cash distributions to refugees and returnees. Cash was distributed through money transfer agents in the absence of reliable banking service providers near the camps. There was no process for

selection of beneficiaries, because vouchers and cash were given to all refugees and returnees. In 2015, the amount distributed totalled approximately \$1.3 million. OIOS observed the following control weaknesses in the implementation of the cash assistance programmes in Niger:

- The Representation had not formally identified risks in implementing CBI and had not developed related risk treatment strategies. From the end of 2015 to the beginning of 2016, 40 per cent of the new arrivals were denied cash assistance, because they were not refugees but members of the local population. This indicated a significant risk that needed to be carefully managed.
- Whilst the Representation prepared an SOP for the distribution of NFI vouchers in 2015, SOPs for direct cash payments were not finalized.
- The Representation had not undertaken a formal tender for the selection of money transfer agents.
- The Representation had not conducted a post-distribution assessment of all its cash assistance initiatives.

25. The above weaknesses occurred because the Representation had not prioritized the implementation of all required control arrangements for its NFI voucher and direct cash interventions. This exposed it to potential inefficiencies and fraud.

(2) The UNHCR Representation in Niger should strengthen the management of its cash-based interventions by: (i) putting in place appropriate risk treatment strategies for identified risks; (ii) finalizing Standard Operating Procedures for all types of interventions; (iii) undertaking a competitive bidding for the selection of money transfer agents; and (iv) conducting post-distribution assessments.

UNHCR accepted recommendation 2 and stated that SOPs for CBI were under review by the Regional CBI officer. A tender document for invitation of proposals for bids from money transfer agents had also been published. An international NGO specializing in socio-economic impact evaluations of CBI programmes had undertaken an assessment at the Mangaize refugee camp to measure the impact of different cash based interventions conducted by UNHCR. A post-distribution assessment would be completed by the end of October 2016. Recommendation 2 remains open pending receipt of evidence of: (i) development of appropriate risk treatment strategies for identified risks; (ii) completion of SOPs for all types of cash interventions; (iii) completion of the competitive bidding for the selection of money transfer agents; and (iv) a report on the post-distribution assessment of cash assistance initiatives.

The Representation needed to address the capacity requirements for ensuring adequate monitoring and impact assessment of the livelihoods programme

26. The UNHCR Operational Guidelines on the Minimum Criteria for Livelihoods Programming require the Representation to: (i) conduct a socio-economic baseline assessment and a market assessment before implementing a livelihoods programme; (ii) develop a context-specific livelihoods strategic plan, assess the capacity and impact of livelihoods partners, and have dedicated livelihoods expertise; and (iii) monitor the performance and evaluate the impact of its livelihoods programme.

27. The Representation's expenditure on livelihoods programmes for 2014 and 2015 amounted to \$2.4 million and \$2.1 million respectively. The Representation developed a livelihoods strategy for Malian refugees, based on a thorough socio-economic assessment conducted in 2013. Another socio-

economic profiling of the Malian caseload was conducted in 2015; however, the livelihoods strategy was not correspondingly updated. The strategy also did not cover Nigerian refugees, because of the security-related difficulty in conducting a comprehensive socio-economic assessment in the Diffa region close to the Nigerian border.

28. For the Malian refugees, the Representation adopted both a traditional and a new innovative approach called “contract approach”. The Representation introduced the latter approach in the Mangaize camp in 2015. Under this approach, if refugees wished to start some income generating activities such as breeding goats or handicraft activities, they were asked to sign a contract in mid-2015 which stated that they would be eligible for approximately \$17 per household per month and at the end of December 2016 would stop receiving any help from UNHCR and its partners. 1,575 families (93 per cent of the camp) decided to sign the contract. A one-day training was provided by a partner, and some people formed groups for handicraft activities. OIOS visited the camps in Mangaize and Tabareybarey to assess the controls put in place over implementation of both approaches, and observed that the Representation did not assess the overall impact of the livelihoods interventions in either of the camps. In addition, the Representation did not conduct an assessment of the impact of the training provided by the partner in the Mangaize camp as required, and there was no evidence of regular monitoring of the new contracts approach. Only one mass meeting labelled as “an evaluation” was organised in the Mangaize camp on 29 December 2015 with all group heads as well as those who decided to work individually on the projects.

29. For the Nigerian caseload, the Representation monitored that a government partner distributed cash grants to beneficiaries of the livelihoods programme. However, the performance and impact of the programme were not assessed in the Diffa region either.

30. The above shortcomings resulted mainly from lack of sufficient capacity to manage the livelihoods programme, given the large geographical size of the country. Although the Representation had one Livelihoods Officer and one Livelihoods Associate in Niger, it was difficult for them to monitor the livelihoods activities across all offices. As a result, the Representation was exposed to the risk of failure to achieve the intended objectives of its various livelihoods interventions.

(3) The UNHCR Representation in Niger should provide capacity building to staff in field offices to enhance their expertise in monitoring livelihoods activities and, in line with an updated and comprehensive livelihoods strategy, put in place arrangements for conducting an impact assessment of the livelihoods programme, including the new contract approach.

UNHCR accepted recommendation 3 and stated that the Representation had created a position for “Assistant Livelihoods Officer” effective 1 January 2017. With the assistance of the UNHCR Global Learning Centre, staff would receive in-house UNHCR training with regard to livelihoods programmes in the context of forced displacement. The impact assessment on livelihoods activities was done already in September 2015 in the context of the socio-economic profiling of the Malian refugees. Recommendation 3 remains open pending receipt of evidence of: (i) completion of training to existing staff members in the field offices to enhance their expertise in monitoring livelihoods activities; and (ii) a report on the comprehensive impact assessment of the livelihoods programme, including the new contract approach.

C. Regulatory framework

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Supervision and oversight arrangements over procurement and vendor management needed to be strengthened

34. The UNHCR procurement rules and procedures require the Representation to: (a) prepare an annual procurement plan according to the identified needs; (b) initiate timely procurement activities in accordance with the procurement plan to facilitate transparent and competitive procurement; (c) ensure adequate oversight over the procurement activities through LCC; and (d) establish an effective vendor management system.

35. OIOS reviewed the procurement procedures, tested on a sample basis 20 purchase orders worth \$1.5 million from the total local procurement volume of \$9.0 million in 2014 and 2015 combined, and reviewed LCC minutes for 2014 and 2015. The following shortcomings were noted:

- The Representation's procurement plan for 2015 was not comprehensive and covered only core relief items and vehicles.
- The Representation did not have procedures in place to ensure that the combined value of purchase orders within any twelve months to one vendor did not exceed \$20,000 without prior LCC approval. For example, in 2015, procurement exceeding \$20,000 was awarded to three vendors without the approval of LCC.
- In 2015, LCC approved a post-facto waiver from competitive bidding for the purchase of 60 tablet-type computer devices amounting to \$33,960 for a survey to be conducted by a consultant. In 2014, another waiver was approved by LCC for the procurement of visibility items amounting to \$28,520. In both cases, the emergency situation was cited as the reason for the waiver, but OIOS assessed that it was due to lack of planning.
- Contracts for services in 2014 were given to nine companies and approved by LCC on the basis of a waiver from competitive bidding by piggy-backing on existing United Nations common contracts in Niger. However, when submitting the request to LCC, the documented decisions of the other United Nations organizations awarding these contracts and the documentation indicating that the vendors extended the same price and conditions to UNHCR were not shared with LCC. Furthermore, the Representation continued to receive services from the same set of vendors in 2015, without LCC approval.
- The contract with a cleaning company, in force since 2012, did not define the scope and cost basis of the services to be provided. In addition, a contract was not concluded with the existing fuel supplier, and the contract with the garage which was still being used had expired in 2014.

36. The Representation established a Vendor Review Committee in March 2015. However, since then, no meeting had been held. Vendor registration and evaluation documents did not exist. There were 625 vendors in the vendor database, which appeared excessive for the Representation's needs. The Representation did not de-activate inactive vendors. In addition, the same vendor identification numbers appeared up to five times for vendors that had similar names in the vendor database.

37. These shortcomings resulted because the Representation had not exercised sufficient management supervision over its procurement and vendor management activities. As a result, the Representation was exposed to the risk of fraud and financial loss, and may not be receiving best value from the acquisition of goods and services.

(5) The UNHCR Representation in Niger should put in place adequate and sustainable management controls to ensure that: (i) a comprehensive procurement plan is developed for each year; (ii) requests for the award of contracts are systematically submitted for review by the relevant Committee on Contracts; (iii) contracts for services are signed in a timely manner and contain sufficient information on the scope and cost of services to be provided; and (iv) the Vendor Review Committee meets regularly to oversee the updating of the vendor database.

UNHCR accepted recommendation 5 and stated that the Representation's annual procurement plan had been updated and would be reviewed as necessary. A comprehensive list of contracts was prepared and would be reviewed quarterly by LCC. The United Nations Operations Management Team had embarked on a joint sourcing and negotiation of service contracts. Contracts for fuel and garage services had been signed. Tender documents for cleaning services were still under review. In August 2016, the Vendor Review Committee met and deactivated 63 inactive vendors and 11 duplicated vendors. Recommendation 5 remains open pending receipt of a list of all contracts reviewed by LCC, including a copy of the contract for cleaning services.

IV. ACKNOWLEDGEMENT

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

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Niger 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 Niger should develop and implement an action plan to increase staff awareness and strengthen management controls to ensure that the requirements for signing of partnership agreements, calculation of Project Headquarters Support Costs, selection and retention of partners, and procurement by partners are systematically complied with, and the associated risks are effectively managed.	Important	O	Submission to OIOS of evidence of: (i) completion of training on the roles and responsibilities of IPMC and the calculation of PHSC; (ii) an action plan to conclude PPAs in a timely manner; (iii) recovery of overpaid PHSC and reimbursement of underpaid PHSC in 2015; (iv) adequate selection and retention procedures conducted for 2017 projects; (v) completion of procurement capacity assessments of all partners that are undertaking procurement on UNHCR's behalf; and (vi) systematic review of procurement activities conducted by partners in 2016.	31 October 2016
2	The UNHCR Representation in Niger should strengthen the management of its cash-based interventions by: (i) putting in place appropriate risk treatment strategies for identified risks; (ii) finalising Standard Operating Procedures for all types of interventions; (iii) undertaking a competitive bidding for the selection of money transfer agents; and (iv) conducting post-distribution assessments.	Important	O	Submission to OIOS of evidence of: (i) development of appropriate risk treatment strategies for identified risks; (ii) completion of SOPs for all types of cash interventions; (iii) completion of the competitive bidding for the selection of money transfer agents; and (iv) a report on the post-distribution assessment of cash assistance initiatives.	31 October 2016
3	The UNHCR Representation in Niger should provide capacity building to staff in field offices to enhance their expertise in monitoring livelihoods activities and, in line with an updated and comprehensive livelihoods strategy, put in place	Important	O	Submission to OIOS of evidence of: (i) completion of training to existing staff members in the field offices to enhance their expertise in monitoring livelihoods activities; and (ii) a report on the comprehensive impact assessment	1 January 2017

² 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.

³ 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.

⁴ C = closed, O = open

⁵ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Niger 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
	arrangements for conducting an impact assessment of the livelihoods programme, including the new contract approach.			of the livelihoods programme, including the new contract approach.	
5	The UNHCR Representation in Niger should put in place adequate and sustainable management controls to ensure that: (i) a comprehensive procurement plan is developed for each year; (ii) requests for the award of contracts are systematically submitted for review by the relevant Committee on Contracts; (iii) contracts for services are signed in a timely manner and contain sufficient information on the scope and cost of services to be provided; and (iv) the Vendor Review Committee meets regularly to oversee the updating of the vendor database.	Important	O	Submission to OIOS of a list of all contracts reviewed by LCC, including a copy of the contract for cleaning services.	31 October 2016

APPENDIX I

Management Response

Management Response

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

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Niger should develop and implement an action plan to increase staff awareness and strengthen management controls to ensure that the requirements for signing of partnership agreements, calculation of Project Headquarters Support Costs, selection and retention of partners, and procurement by partners are systematically complied with, and the associated risks are effectively managed.	Important	YES	Senior Programme Officer and Supply Officer	31 Oct 2016	<p>The Representation is preparing training for the members of the Implementing Partners Management Committee (IPMC) and the programme staff in Niger (Niamey and Zinder) on the roles of the committee and their responsibilities. Calculation of headquarters partners support costs (HPSC) will also be covered.</p> <p>A team composed of Supply/Project Control and Programme staff have started the joint evaluation of partners local procurement capacity. The evaluation exercise has been completed for one partner and is on-going for other partners.</p>
2	The UNHCR Representation in Niger should strengthen the management of its cash-based interventions by: (i) putting in place appropriate risk treatment strategies for identified risks; (ii) finalising Standard	Important	YES	Snr Programme Officer	31 Oct 2016	<p>Within the framework of the Cash Learning Partnership, an international NGO specializing in social economic impact evaluations of CBI programmes has undertaken an assessment at the Mangaize refugee camp to measure the impact of different cash based interventions conducted by UNHCR.</p>

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

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

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	Operating Procedures for all types of interventions; (iii) undertaking a competitive bidding for the selection of money transfer agents; and (iv) conducting post-distribution assessments.					<p>A tender document for invitation of proposals for bids from money transfer agents (banks, microfinances) has been published.</p> <p>Standard operating procedures (SOPs) for CBI interventions are under review by the Regional CBI officer (RRWA). Thereafter, the SOPs will be submitted to the Bureau and DPSM for final clearance. The Post Delivery Assessment will be completed by the end of October 2016.</p>
3	The UNHCR Representation in Niger should provide capacity building to staff in field offices to enhance their expertise in monitoring livelihoods activities and, in line with an updated and comprehensive livelihoods strategy, put in place arrangements for conducting an impact assessment of the livelihoods programme, including the new contract approach.	Important	YES	Snr Programme Officer	01 Jan 2017	<p>The Representation has created a NOA position "Assistant Livelihoods Officer" effective from 1st January 2017.</p> <p>With the assistance of the Global Learning Centre, training opportunities have been identified and staff will receive in-house UNHCR training, in particular with regard to livelihood programmes in the context of forced displacement.</p> <p>The impact assessment on livelihood activities was done in September 2015.</p>

Management Response

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

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
5	The UNHCR Representation in Niger should put in place adequate and sustainable management controls to ensure that: (i) a comprehensive procurement plan is developed for each year; (ii) requests for the award of contracts are systematically submitted for review by the relevant Committee on Contracts; (iii) contracts for services are signed in a timely manner and contain sufficient information on the scope and cost of services to be provided; and (iv) the Vendor Review Committee meets regularly to oversee the updating of the vendor database.	Important	YES	Supply Officer and Snr Admin/Fin. Officer	31 Oct 2016	<p>The annual procurement plan has been updated and will be reviewed as necessary.</p> <p>The UN Operations Management Team (OMT) working in the spirit of “One UN Delivering As One” has embarked on a joint sourcing and negotiations of service contracts. Contracts for fuel and garage services among others have been signed. The standard operating procedures (SOPs) and tender documents for cleaning services are still under review under the leadership of UNFPA. The exercise is due to be completed by October 2016.</p> <p>The Vendor Registration Committee (VRC) will meet on a monthly basis to review the vendor database and to consider new vendors.</p>