



INTERNAL AUDIT DIVISION

REPORT 2017/024

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

The Representation needed to strengthen
controls over partnership management, cash-
based interventions, and procurement
management

13 April 2017

Assignment No. AR2016/110/09

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

EXECUTIVE SUMMARY

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the Office of the United Nations High Commissioner for Refugees (UNHCR) operations in Mali. The audit covered the period from 1 January 2015 to 30 September 2016 and included a review of partnership management; cash-based interventions; security and staff safety; and procurement and vendor management.

The UNHCR Representation in Mali needed to strengthen monitoring of projects implemented by partners, enhance internal coordination and controls over the cash assistance programme for returnees and improve monitoring arrangements over procurement activities.

OIOS made three recommendations. To address issues identified in the audit, the Representation needed to:

- Strengthen management supervision and coordination arrangements over project monitoring to ensure that: (i) multi-functional monitoring teams and risk-based monitoring plans exist for each project; (ii) financial and performance monitoring are linked; (iii) performance monitoring activities assess performance against targets; (iv) financial monitoring activities include follow-up on prior monitoring recommendations and project audit recommendations; and (v) appropriate remote monitoring tools and procedures are developed and implemented;
- Strengthen coordination among its various units in the implementation of the cash assistance programme, and revise the standard operating procedures for the programme to ensure that appropriate control mechanisms are documented and implemented consistently; and
- Implement a robust system of management monitoring over procurement activities, which should include ensuring that: (i) approvals are obtained from relevant Committees on Contracts before signing any contract; (ii) contracts are systematically signed with vendors; (iii) payments are monitored against total amounts agreed in contracts; (iv) technical evaluations are systematically conducted for procurement over \$5,000; and (v) procurement cases are adequately documented.

The Representation accepted the recommendations and has initiated the necessary action to implement them.

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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. The UNHCR Representation in Mali (hereinafter referred to as ‘the Representation’) commenced its operations in January 1994. Since 2012, due to the armed conflict that started in Mali in January of that year, UNHCR has increased its presence in the country. The Representation reports directly to the Bureau for Africa at UNHCR headquarters. As at 30 September 2016, the Representation’s population of concern was as follows: 17,858 refugees; 56,729 refugee returnees; 36,690 Internally Displaced Persons (IDPs); and 474,231 IDP returnees. There are no camps in Mali as the persons of concern reside in rural and urban areas.

3. The role of the Representation is to manage the delivery of services to persons of concern in a cost effective manner and in compliance with mandatory policy requirements. These services include, based on the Representation’s strategic priorities identified in its operations plan, supporting self-reliance activities for Mauritanian and urban refugees, and supporting reintegration activities of refugee returnees including with repatriation cash grants. The security situation in Mali is volatile with most of the country in security level 5 (i.e. very high) except for the capital, Bamako, and the western part of the country. The Representation has taken measures to reduce its operational exposure in the country; however, the main areas of its programme and protection interventions are in the north and central parts of Mali (Timbuktu, Mopti, Gao and Menaka) where the main returnee areas are and where, on average, 80 per cent of the programme expenditures are implemented.

4. The Representation has a Country Office in Bamako, a Sub Office in Gao, three field offices in Timbuktu, Mopti and Kayes, and one Field Unit in Menaka. The Representation is headed by a Representative at the D-1 level. As at 30 September 2016, the Representation had 94 regular staff posts and 11 affiliate staff. The Representation had total expenditure of \$14.9 million in 2015, and \$10.0 million in the 9-month period from 1 January to 30 September 2016. It worked with 11 partners in 2015 and 7 in 2016. The total expenditure of these partners amounted to \$5.8 million in 2015 and \$3.7 million up to 30 September 2016. This accounted for 85 per cent of the Representation’s programme related expenditures during the audit period.

5. Comments provided by the Representation are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over UNHCR operations in Mali.

7. This audit was included in the 2016 risk-based internal audit work plan of OIOS due to risks related to the ongoing instability in Mali affecting UNHCR operations.

8. OIOS conducted this audit from October 2016 to January 2017. The audit covered the period from 1 January 2015 to 30 September 2016. Based on an activity-level risk assessment, the audit covered

higher risk processes and activities pertaining to the operations in Mali, which included: partnership management; cash-based interventions; security and staff safety; and procurement and vendor management.

9. The audit methodology included: (a) interviews of key personnel; (b) review of relevant documentation; (c) analytical reviews of data, including financial data from Managing for Systems, Resources and People (MSRP), the UNHCR enterprise resource planning system, and performance data from FOCUS, the UNHCR results-based management system; (d) sample testing of controls using both systematic and random sampling methods; (e) visits to the Representation's Country Office in Bamako, the offices of three partners implementing UNHCR projects, and a project for urban refugees in Bamako.

III. OVERALL CONCLUSION

10. The Representation needed to strengthen monitoring of projects implemented by partners, including by developing tools and procedures for undertaking remote monitoring. It further needed to enhance internal coordination and controls over the cash assistance programme for returnees. In addition, the Representation needed to enhance monitoring arrangements over procurement activities, ensure that technical evaluations are systematically conducted and formal contracts exist with vendors, and establish procedures for adequate documentation of procurement cases. OIOS also identified some control deficiencies in monitoring of staff compliance with mandatory security training requirements and business continuity planning, but did not consider them as material and the Representation agreed to take action to address them.

IV. AUDIT RESULTS

A. Partnership management

The Representation needed to strengthen controls over monitoring of projects implemented by partners, including by developing tools and procedures for undertaking remote monitoring

11. The UNHCR Enhanced Framework for Implementing with Partners requires the Representation to: a) select partners in a transparent manner by following a competitive selection process; b) sign project partnership agreements (PPAs) in December preceding the year of project implementation; and c) ensure that a project monitoring plan is developed and implemented by a multi-functional team for each PPA, which includes verifying project expenditures and progress in project implementation against targets agreed. The UNHCR Operational Guidelines on Remote Management in High Risk Security Operations call for the Representation, based on a risk assessment of the situation, to set up clear, simple and transparent monitoring and reporting procedures in line with the local context.

12. The Representation had established an Implementing Partnership Management Committee and had implemented adequate procedures for the selection and retention of partners for implementing UNHCR projects. The Representation signed the PPAs in a timely manner, and these agreements contained indicators and targets in line with the results framework, project descriptions and project budgets. OIOS concluded that the processes for selection and retention of partners and preparation and signing of PPAs were working as intended.

13. However, there were control weaknesses in the monitoring of projects implemented by partners, as follows:

- *Monitoring plans* - The Representation did not prepare monitoring plans for any of the PPAs in 2015. In 2016, such plans were developed, in coordination with partners, but they were not put in place until 1 July and were not risk-based. Although multi-functional teams for monitoring of projects existed in each office in Mali, they were not formally established until June 2016, and procedures were not in place to ensure an appropriate team composition for each PPA. For example, some monitoring teams did not include staff from Programme and Project Control, as required. Moreover, given that the preparation and overall management of the PPAs, and the release of installments to partners, were centralized in the Country Office in Bamako, the Representation had to consolidate monitoring inputs from several field offices, which presented some challenges. For example, whilst the PPAs of five of the seven partners used in 2016 were monitored by three or four different UNHCR field offices, the Representation had not clarified which monitoring reports or deliverables it required from each field office before it approved the release of the next installment to partners.
- *Performance monitoring* - The Representation's performance monitoring reports did not assess the performance against targets or work plans agreed in the PPAs. They were also not linked to the financial monitoring activities conducted in Bamako or the quarterly approval of project reports submitted by partners. Therefore, the Representation's documentary evidence was not sufficient for approving the quarterly partner project reports and for releasing installments.
- *Financial monitoring* - The Representation did not adequately document the follow-up on prior recommendations raised in its own financial monitoring reports. It documented in each financial monitoring report an overall percentage of implemented prior recommendations but without clarifying which recommendations were recorded as implemented and which were pending. Therefore, it was not clear, for example, whether expenditures reported by partners with inadequate supporting documentation had been resolved and, as necessary, recoveries had been made. Similarly, the Representation had no system in place to systematically follow up on audit recommendations raised by the external auditor in project audit reports. For example, the status of implementation of prior project audit recommendations was not documented in the financial monitoring reports. It was only at the time of this audit that the Representation started and completed the follow-up and recoveries of questionable expenditures totaling \$78,000 reported by the external auditor.
- *Remote monitoring* - Given the difficult security conditions in large parts of the country and the lack of access by UNHCR staff to many projects implemented by partners, there was a need to develop and implement appropriate and context-specific remote monitoring tools and procedures for the operations in Mali. UNHCR staff from field offices in Mopti, Timbuktu and Gao interviewed by OIOS confirmed lack of sufficient access to project sites, especially outside the town in which the UNHCR field office was located. Remote monitoring of activities and partners require closer supervision than direct monitoring, often with the use of advanced technologies. The Representation had implemented some initiatives for remote monitoring whereby in cooperation with local community leaders feedback was obtained by telephone or in meetings. However, such remote monitoring activities were not documented or systematized and were not commensurate with the assurance requirements. For example, the Representation had not contacted experts in remote monitoring at UNHCR headquarters to identify suitable technological tools and solutions or considered the use of local consultants or partners dedicated to monitoring projects of other partners on behalf of UNHCR.

14. Apart from the difficult operating environment, the main reasons for these weaknesses were inadequate management supervision and internal coordination to ensure that project monitoring

requirements were implemented for the whole country and were sufficiently robust to obtain reasonable assurance that project targets were achieved and project expenditures were in line with the project budgets. As a result, the Representation was exposed to the risk of failure to achieve the intended project objectives and to obtain value from projects implemented by partners.

(1) The UNHCR Representation in Mali should strengthen management supervision and coordination arrangements over project monitoring to ensure that: (i) multi-functional monitoring teams and risk-based monitoring plans exist for each project; (ii) financial and performance monitoring are linked; (iii) performance monitoring activities assess performance against targets; (iv) financial monitoring activities include documentation of the follow-up on prior monitoring recommendations and project audit recommendations; and (v) appropriate remote monitoring tools and procedures are developed and implemented.

UNHCR accepted recommendation 1 and stated that the Representation would put in place multi-functional teams for each PPA. Whereas each sub/field office would produce field monitoring reports, a standard template would be used and harmonized to link up financial monitoring with PPA performance as well as to assess performance monitoring activities against targets. Action was already taken to follow up on prior financial and external audit recommendations. Current remote monitoring arrangements developed by working with local communities and leaders would be harmonized and strengthened in areas that were not accessible to UNHCR staff in Mali for security reasons. Recommendation 1 remains open pending receipt of documentary evidence of the management supervision and coordination arrangements put in place and systematically implemented over risk-based project monitoring by multi-functional teams, including through remote monitoring procedures, integration of financial and performance monitoring, and assessment of project performance against targets.

B. Cash-based interventions

The Representation needed to enhance internal coordination and controls over the cash assistance programme for returnees

15. The UNHCR policies and guidance for Cash-Based Interventions require the Representation to: effectively plan and design its cash-based interventions, including undertaking a risk assessment and assessing the feasibility of such programmes; develop operation-wide standard operating procedures (SOP) governing the selection criteria, value of transfers and operational, financial and protection related controls; and monitor the performance of cash-based interventions and assess their impact.

16. The Representation implemented a cash assistance programme to support Malian refugees who had returned from neighboring countries. It had developed an SOP to guide the implementation of this programme. In order to facilitate their return and reintegration in Mali, the returnees were provided with a one-time cash payment to cover basic needs. This project started in October 2015 and replaced the non-food item distributions previously provided to returnees. The Representation supported 10,300 returnees with total cash payments of \$750,000 up to the end of October 2016. The cash assistance was supposed to be given to returnees whose departures were confirmed by the asylum countries, who had been registered in Mali, and who had a duly completed Voluntary Repatriation Form. OIOS reviewed the process of cash payments made, which were all done in two periods, at the end of 2015 and around June 2016. The review indicated the following shortcomings:

- *Inconsistent assistance amounts* - The Representation had decided to provide refugees returning to Mali \$130 per adult and \$70 per child from October 2015. It also decided to provide retro-active cash assistance to returnees who had arrived between January 2014 and October 2015, although they were already earlier given a non-food item kit. To reflect such in-kind assistance already provided, it had decided to reduce the cash assistance in such cases by \$20 to \$110 per adult and \$50 per child. However, this was implemented inconsistently, because whether or not the non-food item kit was already received, the cash assistance was provided at the reduced rate to every returnee. Hence, new returnees arriving after October 2015, who did not receive the non-food item kit, received \$20 less than they were deemed to receive.
- *Registration of beneficiaries* - According to the SOP, beneficiaries for cash assistance should be registered as returnees by the government partner implementing the UNHCR project for the returnee registration process. However, OIOS observed that 3,456 individuals (34 per cent of the total number of beneficiaries) who were not registered were given the cash assistance. As a result, it was not clear what the purpose of the registration project was, as normally assistance is provided based on the registration data.
- *Beneficiary lists* - The Representation's management of beneficiary lists was inadequate because all lists were kept in an Excel document, and it was therefore not possible to trace what changes had been made to the beneficiary lists in the process of verification. For example, beneficiaries were sometimes added or deleted from the beneficiary list, but the Representation had no record of such changes.
- *Checks and balances* - The Representation could not provide documentary evidence of the implementation of basic validation controls to ensure correctness of beneficiary lists. For example, OIOS identified 28 potential double payments based on duplicate registration numbers. Although the Representation appeared to have identified these double registration numbers post-facto, there was no assurance to prevent such double payments from occurring before actual payment. Subsequent research by the Representation indicated that there were only 6 double payments to beneficiaries, instead of 28, but nevertheless confirmed the control deficiency. Also, the responsibility for conducting such checks before the cash beneficiary list was finalized was not clearly assigned. The SOP mentioned that each field office should validate the beneficiary list before finalization; however, it was not clear what this validation meant.
- *Payment process* – Whilst the partner making the payments to beneficiaries could provide evidence that beneficiaries signed for receipt of cash payments, it did not ensure that two partner staff were present at the time of these cash payments. Given the high inherent risk of cash payments, and the fact that UNHCR staff could not always be present due to the prevailing security situation, there was a need to ensure presence of at least two partner staff for overseeing the cash payment process.

17. As a result, the Representation was exposed to the risk of financial losses and ineffective implementation of the cash assistance programme. The reasons for the control deficiencies were twofold. First, the SOP governing the process was not sufficiently detailed to ensure that all controls were implemented and documented. Second, there was a lack of coordination among the Representation's different units in the implementation of the programme. The programme had been managed by the Repatriation Unit; however, Programme, Project Control and Registration Units were also involved, and the coordination mechanisms for ensuring efficiency and effectiveness of programme implementation and management of related risks had not been clearly established.

(2) The UNHCR Representation in Mali should strengthen coordination among its various units in the implementation of the cash assistance programme, and revise the standard operating procedures for the programme to ensure: consistency of assistance amounts paid; transparent processing of changes to the beneficiary lists; documentation of checks and balances to prevent double payments or payments to non-eligible individuals; adequate linkage of the payments with the registration process; and segregation of duties in the payment process.

UNHCR accepted recommendation 2 and stated that the coordination of the various units and/or participants in the cash assistance programme in Mali would be strengthened and the SOP revised. Recommendation 2 remains open pending receipt of documentary evidence of strengthened coordination between the units involved in the cash assistance programme and a copy of the revised procedures addressing the shortcomings observed in the audit.

C. Security and staff safety

The Representation agreed to enhance controls to increase the completion rate of mandatory security training by staff and establish a business continuity plan for the operation

18. The Representation complied with the key requirements set locally for the United Nations Security Management System and Programme Criticality Framework, as well as those promulgated by the UNHCR Security Management Policy. It had, *inter alia*: (a) taken measures to implement Minimum Operating Security Standards in all its offices, which included ongoing actions and plans to address remaining gaps in some offices; (b) established internal and inter-agency security, contingency, and evacuation plans in each location where it was operating; (c) provided periodic security briefings on safety awareness to all staff, newcomers and staff on mission; (d) defined SOPs for relevant security related aspects; (e) participated in meetings convened by the Security Management Team in the country; and (f) engaged in the programme criticality assessment that was carried out in an inter-agency context under the coordination of the Resident Coordinator in the country, during which the Representation had identified and prioritized its own programme activities.

19. Nonetheless, OIOS observed that the completion rate of mandatory security training by staff in the Representation was only 65 per cent as at 21 September 2016. The Representation had sent out reminders to staff on the need to complete the mandatory training requirements. However, gaps in the completion rate occurred because of competing priorities of staff, technical problems with the internet access to the online training, and limited capacity of the United Nations peacekeeping mission in Mali to deliver the instructor-led component of the security training. OIOS noted a substantial improvement in the rate of completion of training requirements from 65 per cent as at 21 September 2016 to 79 per cent as at 16 November 2016, and the Representation agreed to further enforce the requirement for staff to complete the mandatory security trainings as a matter of priority. Based on the action being taken, no recommendation was raised in this regard.

20. Furthermore, the Representation lacked business continuity plans outlining operating scenarios, critical staff, infrastructure, equipment, and administrative arrangements needed to complement existing security and emergency preparedness plans. Business continuity plans constitute a good management practice and would assist management in identifying which aspects of the operation could continue to run and how, given various security scenarios such as an evacuation. The Representation agreed to coordinate with the Regional Bureau for Africa and relevant Divisions at UNHCR headquarters to improve business continuity planning at the country level and come up with a workable plan addressing most disruption scenarios. Based on the action being taken, no recommendation was raised.

D. Procurement and vendor management

There was a need to enhance monitoring arrangements over procurement activities

21. From January 2015 to August 2016, the Representation issued 269 purchase orders for \$3.2 million. OIOS reviewed 15 contracts with a total value of \$2.8 million for the period under review, and payments totaling \$958,810. The review indicated that the Representation had established key procurement and vendor management processes required by UNHCR procurement rules and procedures, which included: (a) constituting a Vendor Review Committee, which conducted reviews and vetting of applications of new vendors as well as reviews of existing vendors to exclude inactive or inadequate/non-performing vendors; (b) developing a procurement plan for 2016 and 2017, which was in the process of being reviewed to update projections and to incorporate procurement by partners; (c) establishing a Bid Opening Committee to ensure confidentiality and due process of offers received; (d) establishing a Local Committee on Contracts (LCC) to ensure integrity of the procurement process; and (e) putting in place procedures for the receipt of goods and services procured prior to processing payments.

22. However, OIOS observed the following instances of non-adherence to the procurement rules and procedures:

- *Short time for submission of offers* - In 8 out of the 15 procurement cases reviewed, the tender period varied between 3 and 17 days, which was shorter than the 4 to 8 weeks required by UNHCR procurement rules. As a consequence, the Representation received a reduced number of responses to several solicitations which limited its choices. For example, the tender period for the acquisition and installation of a video surveillance system worth approximately \$90,000 was only 17 days and the Representation only received one offer. The LCC had noted the short deadline that prevented vendors to respond in this particular case, but the tender was not re-advertised.
- *Lack of specifications and evaluation criteria* - In six cases reviewed, the tendering documents lacked detailed specification of the requirements for the goods or services procured and the evaluation criteria used to assess the vendors' offers. For example, the tendering documents for the acquisition of security services in May 2015 (contract valued at \$219,148 per year) only included a non-exhaustive list of functions to be performed by the future service provider. There was no evidence that the Security Officer participated in the definition of security requirements, as expected, and that a technical evaluation was carried out. Upon request of the LCC, there was a brief reference added in the LCC minute of 28 August 2015 that the Security Officer had considered that the proposal of one of the vendors was superior, but without further details on the basis of this conclusion. In this case, the Representation awarded the contract to the more expensive of the two vendors which submitted offers (more expensive by \$23,366 per year), without a justification. Without clear specifications and adequate technical evaluations, the Representation risked acquiring inadequate services or goods that would not meet its needs.
- *Lack of review by the Committee on Contracts* - In five cases, for a total of \$1.6 million, the Representation awarded or renewed the contract without the necessary review by the relevant Committee on Contracts, or awarded the contract with terms that were different from the ones previously endorsed by the Committee.
- *Acquisition of goods without an underlying contract* - The Representation had awarded in December 2014 a contract for the acquisition of fuel to three vendors and decided to keep a fourth vendor (its previous supplier) as a backup. However, the Representation signed a contract with

only one of the three approved vendors in December 2015. In addition, despite the lack of a formal contract with the backup vendor, the Representation continued purchasing fuel from this vendor. To regularize all purchases made from this backup vendor, the Representation submitted, post-facto on 30 June 2015 to the review of the Headquarters Committee on Contracts fuel acquisitions from this vendor from 1 January 2013 to 30 June 2015 totaling \$300,907. However, the Representation had yet to obtain the approval from the relevant committee on contracts for additional payments made to this vendor between 1 July 2015 and 31 August 2016 amounting to \$63,994.

- *Insufficient filing of procurement cases* - Most procurement files lacked documentation to support all the steps of the procurement process. For example there was no documentation on file regarding: departures from the identification of the required number of potential vendors; use of shorter tender periods; results of technical evaluations conducted; and results of negotiations held with vendors. In addition, in some cases the vendor offers were not filed.

23. The shortcomings cited above occurred because the Supply Unit, which was formally established only in 2015 when the current Supply Officer arrived, was still developing its experience and knowledge on procurement matters. However, OIOS also associated the weaknesses with the lack of proper management monitoring of compliance with UNHCR procurement rules and procedures. For 2016 procurement, OIOS observed an improvement in some aspects, namely in terms of adhering to deadlines of tender periods, definition of specifications, and definition of evaluation criteria. Nonetheless, non-compliance with the procurement rules and procedures, as illustrated in the observations above, exposed the Representation to the risk of not achieving value for money from the acquisition of goods and services, and increased the risk of fraud.

(3) The UNHCR Representation in Mali should implement a robust system of management monitoring over procurement, which includes: (i) obtaining approvals from relevant Committees on Contracts before signing any contract; (ii) signing contracts with vendors; (iii) monitoring payments against total amounts agreed in contracts; (iv) conducting technical evaluations for procurement over \$5,000; and (v) establishing adequate documentation of procurement cases.

UNHCR accepted recommendation 3 and stated that the Representation would take action to ensure that adequate oversight and approvals were in place for the procurement of goods and services. Regularization of non-compliance cases with procurement rules and regulations was ongoing. Action had already been taken on the filing systems. Recommendation 3 remains open pending receipt of documentation as evidence that systematic management monitoring is conducted to ensure that the required approvals are obtained from relevant committees on contracts, contracts are signed with all suppliers, and appropriate technical evaluations are conducted.

V. ACKNOWLEDGEMENT

24. 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 Mali for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The UNHCR Representation in Mali should strengthen management supervision and coordination arrangements over project monitoring to ensure that: (i) multi-functional monitoring teams and risk-based monitoring plans exist for each project; (ii) financial and performance monitoring are linked; (iii) performance monitoring activities assess performance against targets; (iv) financial monitoring activities include documentation of the follow-up on prior monitoring recommendations and project audit recommendations; and (v) appropriate remote monitoring tools and procedures are developed and implemented.	Important	O	Submission to OIOS of documentary evidence of the management supervision and coordination arrangements put in place and systematically implemented over risk-based project monitoring by multi-functional teams, including through remote monitoring procedures, integration of financial and performance monitoring, and assessment of project performance against targets.	30 June 2017
2	The UNHCR Representation in Mali should strengthen coordination among its various units in the implementation of the cash assistance programme, and revise the standard operating procedures for the programme to ensure: consistency of assistance amounts paid; transparent processing of changes to the beneficiary lists; documentation of checks and balances to prevent double payments or payments to non-eligible individuals; adequate linkage of the payments with the registration process; and segregation of duties in the payment process.	Important	O	Submission to OIOS of documentary evidence of strengthened coordination between the units involved in the cash assistance programme and a copy of the revised procedures addressing the shortcomings observed.	30 June 2017

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.

³ C = closed, O = open

⁴ 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

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
3	The UNHCR Representation in Mali should implement a robust system of management monitoring over procurement, which includes: (i) obtaining approvals from relevant Committees on Contracts before signing any contract; (ii) signing contracts with vendors; (iii) monitoring payments against total amounts agreed in contracts; (iv) conducting technical evaluations for procurement over \$5,000; and (v) establishing adequate documentation of procurement cases.	Important	O	Submission to OIOS of documentation as evidence that systematic management monitoring is conducted to ensure that the required approvals are obtained from relevant committees on contracts, contracts are signed with all suppliers, and appropriate technical evaluations are conducted.	30 June 2017

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 ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Mali should strengthen management supervision and coordination arrangements over project monitoring to ensure that: (i) multi-functional monitoring teams and risk-based monitoring plans exist for each project; (ii) financial and performance monitoring are linked; (iii) performance monitoring activities assess performance against targets; (iv) financial monitoring activities include documentation of the follow-up on prior monitoring recommendations and project audit recommendations; and (v) appropriate remote monitoring tools and procedures are developed and implemented.	Important	Yes	Project Control Officer	30.6.2017	<p>(i) Multi-functional teams (MFTs) for each project partnership agreement (PPA), will be put in place no later than 30 June 2017. MFTs receive the support of technical units as required.</p> <p>(ii)&iii) Each Sub/Field office produce field monitoring reports. However, a standard template will be used and harmonized to link up financial monitoring with PPA performance as well as assess performance monitoring activities against targets.</p> <p>(iv) Action was already taken for follow-up on prior financial and external audit recommendations.</p> <p>(v) Current remote monitoring arrangement developed by working with local communities and leaders will be harmonized and strengthened in areas that are not accessible to UNHCR staff members for security reasons.</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 Mali 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
2	The UNHCR Representation in Mali should strengthen coordination among its various units in the implementation of the cash assistance programme, and revise the standard operating procedures for the programme to ensure: consistency of assistance amounts paid; transparent processing of changes to the beneficiary lists; documentation of checks and balances to prevent double payments or payments to non-eligible individuals; adequate linkage of the payments with the registration process; and segregation of duties in the payment process.	Important	Yes	Deputy Representative	30.6.2017	The coordination of the various units and / or participants in the cash assistance program will be strengthened and the standard operating procedures will be revised to ensure: consistency of assistance amounts paid; transparent processing of changes to the beneficiary lists, documentation of checks and balances to prevent double payments or payments non-eligible individuals; adequate linkage of the payments with the registration process; and segregation of duties in the payment process.
3	The UNHCR Representation in Mali should implement a robust system of management monitoring over procurement, which includes: (i) obtaining approvals from relevant Committees on Contracts before signing any contract; (ii) signing contracts with vendors; (iii) monitoring payments against total amounts agreed in contracts; (iv) conducting technical evaluations for procurement over \$5,000; and (v) establishing adequate documentation of procurement cases.	Important	Yes	Senior Admin/Finance Officer	30.06.2017	Action will be taken, no later than 30.06.2017, to ensure that adequate oversight and approvals are in place for the procurement of goods and services. Regularization of non-compliance cases with procurement rules and regulations is ongoing. Action has already been taken with appropriate filing systems (cabinet and folders) and will be maintained.