



## **INTERNAL AUDIT DIVISION**

### **REPORT 2019/088**

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

**There were critical and systemic  
deficiencies in controls and management  
oversight arrangements over water,  
sanitation and hygiene programmes**

**01 October 2019  
Assignment No. AR2019/111/06**

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

## EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in Rwanda for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the Representation was managing the delivery of services to persons of concern (PoCs) in a cost-effective manner and in accordance with UNHCR's policy requirements, with due regard to the risks that it was exposed to in the context in which it was operating. The audit covered the period from 1 January 2017 to 31 December 2018. Based on an activity-level risk assessment, the audit covered higher and medium risk areas pertaining to the operations in Rwanda, which included: (a) planning and resource allocation; (b) water, sanitation and hygiene (WASH); (c) public health; (d) construction activities; (e) Cash-Based Interventions (CBI); and (f) resettlement. In reviewing these six areas, the audit also covered the cross-cutting areas of partnership management and procurement.

There was a critical need for the Representation to address control deficiencies in its water, sanitation and hygiene programme which, if unaddressed, could adversely impact the achievement of its objectives in a cost-effective manner. The Representation also needed to enhance its management oversight over its public health, durable solutions, construction and CBI programmes, so they remain on track in supporting the achievement of its strategic objectives. To deliver services to PoCs in a cost-effective manner and to safeguard its resources, the Representation needed to also strengthen its planning and resource allocation processes. In general, the Representation needed to strengthen its control environment by complying with policies and instituting actions to mitigate key risks it is exposed to.

OIOS made one critical and five important recommendations. To address issues identified in the audit, UNHCR needed to:

- Prioritize the development of a WASH strategy backed by standard operating procedures (SOPs) to direct the provision of related services to PoCs; strengthen its capacity to manage the WASH programme by deploying technical specialists; and strengthen its selection, management and monitoring of partners (**critical**);
- Develop a country-specific health strategy and SOPs; properly account for grant funds received for prevention and treatment of HIV, tuberculosis and malaria; and strengthen the monitoring of partners including management of medicines;
- Update its resettlement SOPs so they meet the baseline set by UNHCR; institute measures to ensure annual resettlement targets are met; and strengthen appropriate fraud prevention and detection measures in line with UNHCR guidelines to mitigate the related risks;
- Update the CBI strategy and SOPs; review the effectiveness of design and delivery modalities in meeting the needs of PoCs; and with the support of headquarters, implement a secure system to process CBI transactions;
- Strengthen its planning, implementation and management oversight of construction contracts so they are executed in an efficient and effective manner and realize good value for money; and
- Review the allocation of roles and responsibilities to reinforce accountability at the strategic level; address the risks associated with the mobilization and allocation of available resources; and institute measures to strengthen programme performance management.

UNHCR accepted the recommendations, implemented one of them, and initiated action to implement the remaining five recommendations.

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# **Audit of the operations in Rwanda 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 Rwanda for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The UNHCR Representation in Rwanda (hereinafter referred to as ‘the Representation’) was established in 1994 to provide refugees, asylum seekers and other persons of concern with protection and humanitarian assistance. The Government of Rwanda is a signatory to the 1951 Refugee Convention and its 1967 Protocol, the 1969 Organization of African Unity’s Convention, and the 1954 and 1961 Statelessness Conventions. The refugee response is co-coordinated by the Government through the Ministry in charge of Emergency Management and UNHCR under the Refugee Coordination Model which includes United Nations agencies, local and international non-governmental organizations, and operational partners.
3. As at January 2019, Rwanda hosted 150,194 refugees and asylum seekers in six camps and urban areas around Kigali of whom 52 per cent were from the Democratic Republic of the Congo (DRC) and 48 per cent from Burundi. The Congolese refugees resided in five camps, namely Kiziba (the oldest camp established in 1996), Kigeme, Mugombwa, Gicumbi and Nyabiheke, while the Burundian refugees resided in Mahama camp.
4. The UNHCR operations in Rwanda consisted of the Country Office in Kigali, five Field Offices, one Sub-Office and one Field Unit. The Field Offices in Karongi, Gicumbi, Rubavu, Rusizi and Huye oversaw the five refugee camps hosting Congolese refugees and three transit centres for Rwandan returnees and refugees from Burundi. The Sub-Office in Kirehe managed the refugee camp in Mahama, the Gatore reception centre, the Field Unit in Nyamata and the Bugesera Reception Centre. The Representation was headed by a Representative at the D-1 level and had 58 staff, including 9 international and 12 affiliate staff. In 2017 and 2018, it incurred total expenditure of \$42 million and \$39 million and worked with 14 and 13 partners, respectively.
5. Comments provided by UNHCR are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

6. The objective of the audit was to assess whether the Representation was managing the delivery of services to persons of concern in a cost-effective manner and in accordance with UNHCR’s policy requirements, with due regard to the risks that it was exposed to in the context in which it was operating.
7. This audit was included in the 2019 risk-based work plan of OIOS due to the risks associated with the increased arrival of persons of concern (PoCs) in Rwanda because of the DRC and Burundi refugee crises.
8. OIOS conducted the audit from February to May 2019. The audit covered the period from 1 January 2017 to 31 December 2018. Based on an activity-level risk assessment, the audit covered higher and medium risk areas pertaining to the operations in Rwanda, which included: (a) planning and resource allocation; (b) water, sanitation and hygiene (WASH); (c) public health including human immunodeficiency virus (HIV) and reproductive health; (d) construction activities; (e) Cash-Based Interventions (CBI); and

(f) resettlement. In reviewing these six areas, the audit also covered the cross-cutting areas of partnership management and procurement.

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 Kigali, Sub-Office in Kirehe, Field Offices in Huye and Karongi, and offices of five implementing partners; and (f) observation of programme activities implemented in three refugee camps, Mahama, Kiziba and Kigeme.

10. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

### **III. AUDIT RESULTS**

#### **A. Water, sanitation and hygiene**

There was a critical need for the Representation to address the control deficiencies identified in its WASH programme implementation to ensure that it delivers services to PoCs in a cost-effective manner

11. The Representation spent \$3.7 million on WASH programmes in the period under audit. However, it did not undertake a needs assessment to inform its planning and prioritization of WASH-related activities. Consequently, the Representation lacked information to inform its decision making in critical areas such as: (i) available and potential water sources; (ii) assessment of ground conditions' ability to support sanitation activities, e.g. desludging of latrines and septic tanks; (iii) environmental considerations; and (iv) solid waste management options. This resulted in numerous challenges once programme implementation was underway, as explained in the paragraphs below.

12. The Representation's vision for WASH as listed in its Multi-Year, Multi-Partner (MYMP) protection strategy (2018-2022) was to mainstream PoCs into local government systems. However, it lacked the required strategy and operational plans to direct the activities and identify the resources needed to meet strategic WASH objectives in the short, medium and long term. It also lacked the corresponding standard operating procedures (SOPs) to guide partners on programme implementation and to ensure quality and consistency in the WASH services delivered to PoCs. The Representation also lacked sufficient technical staff to oversee programme implementation, as it only had one national staff responsible for WASH activities at one of the camps. This not only affected the quality of oversight of WASH activities strategically and operationally, but also impeded effective participation of UNHCR in different forums within the WASH sector, e.g. stakeholder coordination meetings.

13. The Representation also lacked camp strategies to inform its response based on the phase the camps were in. For example, the Mahama camp was in the protracted phase (2-20 years after emergency) and the Representation should have identified ways to move away from parallel to national WASH systems. The Kigeme and Kiziba camps had been in existence for over 20 years, which placed them in the durable solutions phase where they should have been fully integrated into national WASH systems. However, all six camps remained fully dependent on the Representation for WASH activities which was characteristic of the post emergency stage (0-2 years after the emergency). Also, the Representation had not transitioned the associated processes to more efficient, sustainable and environmentally friendly technologies. WASH activities remained heavily dependent on equipment and chemicals.

14. The impact of the above-mentioned lack of proper needs assessment, strategies and technical personnel impacted the execution of WASH activities in the camps. For example, contrary to the UNHCR WASH technical design requirements, toilet waste and bathroom water in Mahama camp were channelled into one septic tank as opposed to having soak pits for draining waste water. This increased the frequency and associated costs related to emptying the septic tanks. The Representation acknowledged that it had not undertaken a soil type and permeability assessment and, thus, the facilities were constructed in an area where waste water could not drain into the ground. To address this problem, the Representation would have to make construction adjustments to separate the bathroom water from the toilet waste at a cost of \$271,000.

15. The lack of a proper needs assessment was also evident in the design of the camp layout that did not make a provision for exhauster trucks to access latrines for desludging. Consequently, the trucks could not reach the latrines in some camps. Hence, the camps resorted to unhygienic ways of emptying the sewage waste. For example, in Kigeme camp, the partner emptied the sewage waste into the open drainage within the camp which then flowed into the wetland at the bottom of the valley possibly contaminating the area and the surface water.

16. On the environment front, there were flaws in the design of the water drainage system which resulted in large gullies (one measuring 50 by 27 meters) in the camps. The Representation estimated that it needed \$4 million to permanently address the poor drainage systems in the camps. It had in the meantime embarked on instituting provisional measures costing \$150,000 to prevent further degradation of the environment. The Representation listed the risk of environmental degradation and damage to camp structures in its risk register but the proposed actions to mitigate the risk had not been implemented at the time of the audit.

17. OIOS could not track the delivery of WASH programme outputs that had been paid for, e.g. the number of desludging and refuse waste disposal trips undertaken, delivery of 65 tanks for rainwater harvesting and quantity of liquid soap used. The failure to implement WASH activities was listed in the Representation's risk register as a root cause of infectious disease outbreaks. Although this risk was assessed as having a high likelihood and major impact, mitigating actions were not implemented, thereby exposing PoCs to the risk of diseases. The Representation did not undertake regular monitoring of WASH indicators to check whether WASH programmes remained on track in meeting basic needs and agreed targets e.g. the annual knowledge, attitudes and practices survey. The Representation also did not track WASH costs per refugee to ensure that they remained reasonable.

18. The Representation retained the WASH partner in Mahama without addressing the significant capacity and control weaknesses raised by the external auditors and project control in 2016 and 2017. This partner received an adverse opinion from the external auditors due to: (i) failure to adhere to its procurement guidelines for contracts worth \$2.3 million; (ii) awarding contracts worth \$4.8 million to two suppliers, one of whom won a tender only one month after it was registered as a company; and (iii) maintaining a different bank account for value added tax (VAT) reimbursement from the agreed upon project bank account. While the risk register identified poor partner performance as a risk, the proposed actions were inadequate to mitigate the risks.

19. Monitoring by the Representation's multi-functional teams (MFTs) and project control was not guided by risk-based plans as required. Therefore, the WASH partner did not receive targeted monitoring considering its known capacity issues and implementation challenges. The MFTs did not verify programme implementation against the approved work plan and set targets, but only drew up lists of challenges partners were facing. No documentation was on file to support \$266,000 paid in Mahama for desludging latrines and solid waste removal in 2018. There were numerous reports of these trucks failing to reach camps due to poor road conditions; yet the WASH partner had received funding for road maintenance. OIOS also

questioned the effectiveness of financial monitoring of project activities because numerous clear instances of non-compliance of the partner with its own procurement guidelines were not identified during the reviews. Project control had also not identified and investigated six identical payments of \$51,294 made by the WASH partner to one supplier for construction materials (including 12,000 bags of cement) on the same date.

20. The root cause of the issues cited above related to inadequate commitment to sound management of the WASH programme, as evidenced by limited technical capacity for the programme, lack of a country specific WASH strategy and SOPs to guide the delivery of services, and deficiencies in monitoring of activities undertaken by partners. These shortcomings significantly impacted the delivery of WASH services to PoCs.

**(1) The UNHCR Representation in Rwanda should: (i) prioritize the development of a water, sanitation and hygiene (WASH) strategy backed by standard operating procedures to direct the provision of related services to persons of concern; (ii) strengthen its capacity to plan, manage, coordinate and monitor the WASH programme by deploying technical specialists; and (iii) strengthen the selection, management and monitoring of partners to ensure programmes are implemented in a cost-effective manner.**

*UNHCR accepted recommendation 1 and stated that: (i) it had finalized the WASH strategy and was formulating SOPs to direct the provision of related services to PoCs; (ii) it had initiated processes to deploy WASH officers at the Branch Office and its camps; (iii) actions were ongoing to strengthen the selection, management and monitoring of its partners including conducting a workshop on the Framework of Implementing with Partners; and (iv) the WASH partner in Mahama had been terminated effective 6 September 2019. OIOS takes note of the actions taken so far to strengthen controls over WASH programme activities including the development of a strategy and termination of WASH partner. Recommendation 1 remains open pending receipt of documentary evidence of: (i) finalized WASH SOPs; (ii) recruitment of WASH officers at the Branch office and all camps; and (iii) strengthened processes for the selection, management and monitoring of partners.*

## **B. Public health**

There was a need to strengthen management oversight over the health programme

21. The Representation identified health as one of its strategic priorities and allocated \$6.8 million to the provision of related activities in the period under audit. The MYMP protection strategy (2018-2022) listed the Representation's vision to mainstream PoCs into the national health systems. However, the Representation did not have a country level strategy to articulate how health services would be offered to refugees in the short to medium term and how to cater for the unique needs of different population groups. The Representation also lacked SOPs to guide the implementation of its health-related programmes. SOPs for referrals and essential drugs existed but were outdated.

22. The Representation received a \$2 million grant from the Global Fund to Fight HIV, Tuberculosis and Malaria for strengthening its response to HIV, malaria and tuberculosis in Burundian refugee camps, transit centers and urban areas. However, delays between signing the grant agreement in February 2017 and disbursement of funds in November 2017 affected the Representation's ability to spend the funds in the stipulated one-year period (ending December 2017). The Representation received a one-year no-cost grant extension to December 2018 but still failed to spend the funds received. At the time of the audit, the grant was in closure with the implication that unspent money would have to be returned to the donor.

23. A Project Partnership Agreement was signed in December 2017 for \$1.7 million with a health partner. The Agreement did not lay out the Representation's expectations for the partner which would have reflected the obligations vis-à-vis the donor. Thus, the partner did not provide periodic reports required to evidence programme implementation and accountability for use of funds once implementation was underway. The partner reported in February 2019 that \$820,032 out of the \$1.7 million was spent on treating HIV patients. OIOS noted that the implementation period was from January 2017 to December 2018, yet the partner had received the funding only in December 2017. The accountability report was also not accompanied by any supporting documentation. OIOS assessed that based on the average treatment cost per HIV patient (\$200 per annum), the total cost of the medicines should have been about \$400,000 for the two years. If 2017 was to be excluded, then the total cost would have been about \$200,000. The partner also received a much larger grant directly from the same donor for treating HIV patients, which raised the risk of double counting the treatment offered.

24. The grant was performance-based, with a work plan and indicators put in place to measure performance against set indicators. The Representation reported that it covered treatment for 95 per cent of the 953 HIV patients. However, other defined activities that underpinned the funded programme were not undertaken. For example, the Representation received \$333,000 to undertake two indoor residual spraying campaigns for the prevention of malaria in Mahama. The health partner, however, only undertook one campaign that cost \$512,488 (54 per cent above budget) and this was attributed to the use of a more expensive insecticide. The Representation had also committed to undertake HIV testing and counselling for 75,000 refugees, but only 13,388 persons were reported as having received these services.

25. The Representation's medicines and supplies worth \$2.1 million were not recorded in MSRP, which raised the risk of failing to properly account for them. In Kirehe, the warehouse was a residential house with medicines stored in bedrooms and adjacent toilets. The medicines were not stacked on shelves but stored on the floor, thereby increasing the risk of contamination in case of leakage from the bathroom taps and toilets. Boxes containing medicines were stacked on top of each other without considering the expiry dates of the drugs. There were also no bin/stock cards for all the drugs stored in the rooms and the lighting was inadequate. The warehouse in Kigali lacked air conditioning to control the temperature, although temperatures in the area rose to 30 degrees Celsius. The Mahama 2 health center did not have stock cards for drugs at the pharmacy, nor documentation to evidence stock counts of medicines held. The stock movement reports in the Mahama 1 clinic were not adjusted to reflect expired drugs that were removed for incineration.

26. The partners held large stocks of expired medicines and incinerated 7.5 tonnes of expired drugs costing \$7,350 in 2018 alone. The expiries were attributed to, amongst other things, the ineffective ordering and importation of medicines sometimes with very short shelf lives. For example, the Representation received fluconazole in February 2019 that had expired in January 2019 and artemether/lumefantrine in the same consignment that was due to expire in March 2019. This reflected inadequate management oversight since the medicines should not have been accepted in the first place.

27. The root causes of the issues cited above related to inadequate management oversight as evidenced by the lack of a country specific strategy, camp-based strategies, and SOPs to direct and guide the provision of health services, as well as gaps in supervision of health activities undertaken by partners. These shortcomings exposed the Representation to the risk of loss of funding for health programmes, waste due to medicine expiry, and gaps in delivering services to PoCs. OIOS concluded that the Representation had missed opportunities to find cost-effective and sustainable health solutions.



**(2) The UNHCR Representation in Rwanda should strengthen its management oversight in delivering health programmes to refugees by: (i) developing a country specific health strategy and standard operating procedures; (ii) ensuring grant funds received for prevention and treatment of HIV, tuberculosis and malaria are properly accounted for; and (iii) strengthening the monitoring of partners including management of medicines.**

*UNHCR accepted recommendation 2 and stated that: (i) the country specific public health strategy and related SOPs had been finalized since the audit; (ii) the grant related to prevention and treatment of HIV, tuberculosis and malaria was audited; with the Representation recovering unspent balances from the implementing partner; and (iii) measures were underway to strengthen the monitoring of partners including instituting monitoring plans, requiring partners to submit monthly reports and holding meetings with partners to identify and address implementation challenges. Based on the documentary evidence and assurances received from the Representation, recommendation 6 has been closed.*

## C. Resettlement

There was a need for the Representation to review its resettlement programme to optimize available opportunities and minimize the risk of fraud

28. The Representation anticipated that it would resettle all eligible 23,750 individuals (5,278 cases) between 2016 and 2021. It processed resettlement on an individual basis for refugees exposed to specific protection risks and on a group basis for Congolese refugees that met specific criteria defined by the receiving country. However, the SOPs remained in draft at the time of the audit. They also had not been updated to reflect specific criteria agreed upon with the receiving country and were not aligned to the prescribed UNHCR's baseline SOPs on resettlement. For example, they did not provide for an annual baseline standard checklist, designation of an accountable officer duly approved by the Representative, fraud risk assessment template, appointment of a fraud assessment panel, resettlement fraud vulnerability checklist, home visits procedures, focal point for departure arrangements, and specific training courses for resettlement staff and the person responsible for training. The draft SOPs were finalized after the audit field work without being aligned to the UNHCR baseline ones and lacked key annexes e.g. interview checklist, control sheet for resubmission, and fraud case review form.

29. The resettlement criteria were also not communicated to all related staff, many of whom were new at the time of the audit. While the Representation had SOPs that provided general guidance on what communication channels were available for disseminating resettlement information to PoCs, it had not identified through a strategy the most effective ones to use. Such a strategy would have facilitated the provision of timely and relevant information to PoCs, underpinned transparency and accountability within the resettlement process, and built trust between UNHCR and PoCs.

30. Resettlement was listed as one of the grievances behind the demonstrations in the Kiziba camp in February 2018. Other challenges that complicated the resettlement process included the fact that some refugees had Rwandan identification, thereby disqualifying them from resettlement. There were also an estimated 9,000 pending asylum seekers in the camps who were not yet formally registered. The ongoing verification was expected to help identify the inhabitants of the refugee camp and regularize their refugee status or Rwandan nationality. These issues were not articulated as risks in the Representation's risk register for mitigation.

31. The Representation had an opportunity to resettle 39,000 Congolese refugees as per the above-mentioned criteria set by the receiving country. However, it only committed to process 23,750 individuals, representing 61 per cent of those that qualified. While it attributed this shortfall to lack of staff, it also

lacked documentation to evidence that this matter had been brought to the attention of the Bureau for Africa. A cost analysis of this scenario showed that any additional resources provided to process the caseload in the short term would be less than the long-term cost of maintaining the refugees in camps. At the estimated cost of \$50.2 per month for maintaining a refugee in Rwanda, the Representation would have saved \$765,550 per month and \$9.2 million annually if the remaining 15,250 eligible refugees had been included in the resettlement programme. This, in addition to the reduced exposure of refugees to protection risks, coupled with the limited opportunities for local integration, would have made a case for increased human resources for the Representation in the short term.

32. The Representation estimated that an average of 4,000 refugees would be referred for resettlement per year. The Representation had a workforce of 24 resettlement staff out of which nine were caseworkers that were required to process and submit five cases each per week, which translates to 2,160 cases per year. When applied to the average family size of five, it corresponded to 10,800 individual refugees per calendar year. Based on these projections, and with the current staffing levels, the Representation could have processed the entire case load of 39,000 individuals before the end of 2019 instead of the 23,750 individuals by 2021. The Representation was agreeable to the need to strengthen its monitoring of staff performance but did not subscribe to the idea of using number of cases as an approach. OIOS on the other hand noted that job descriptions of staff specified the required outputs per staff member per week i.e. 5-9 resettlement cases. Based on the average number of cases per week indicated in the job descriptions, the number of cases that should have been processed on an annual basis would be higher.

33. The Representation did not meet the agreed upon target as it processed 10,597 refugees against the target of 11,750 that was agreed with the receiving country by the end of 2018. Kiziba camp was the most affected with a cumulative deficit of 1,676 where 439 refugees were processed against a target of 1,600. The Representation attributed the shortfall to the riots in February 2018 and the verification exercise that ensued thereafter. At time of the audit in February 2019, the Representation did not have a plan to address the backlog.

34. The main cause of the issues cited above was weak management oversight over the planning, executing and monitoring of resettlement as evidenced by the lack of up-to-date SOPs to guide the process, failure to justify the need for increased resources to process all refugees that qualified for resettlement, and inadequate monitoring of caseworkers' performance against set targets. This resulted in missed opportunities to forward a larger number of refugees for resettlement consideration. Also, whereas the Representation identified the risk of resettlement fraud in its risk register, it did not assess such risks or identify and implement fraud prevention and detection measures. The Representation did not prepare resettlement fraud risk assessments and fraud vulnerability reviews annually to gauge its exposure and vulnerability. Further, the Representation had not appointed a fraud assessment panel as required. The continued exposure to fraud risks could damage UNHCR's reputation if fraud were to occur.

**(3) The UNHCR Representation in Rwanda should: (i) review its resettlement standard operating procedures to ensure they are aligned to the UNHCR baseline ones; (ii) review and institute measures to address impediments to meeting its annual resettlement targets especially in Kiziba camp; and (iii) strengthen fraud prevention and detection measures to mitigate against related risks, specifically the preparation of the fraud risk assessment and fraud vulnerability review.**

*UNHCR accepted recommendation 3 and stated that: (i) after the audit, resettlement SOPs were updated in conformance to UNHCR guidelines and disseminated to all staff; (ii) fraud risk assessments and fraud vulnerability reviews were conducted in line with the 2017 Operational Guidelines on addressing fraud; (iii) weekly reporting of individual staff output by the heads of the resettlement units was introduced; with field offices expected to justify unmet weekly output targets;*

*and (iv) management oversight was weakened by the absence of regular staffing; with 98 per cent of resettlement staff either being affiliates or on temporary assignment. They requested for but had not received two Associate Resettlement Officers to strengthen management oversight in the field offices. OIOS takes note of the measures instituted to strengthen the monitoring of outputs by resettlement officers. The finalized SOPs however do not conform to the baseline SOPs and the SOP checklist is inconsistent with the finalized version. Recommendation 3 remains open pending receipt of documentary evidence of (i) comprehensive SOPs that are in line with UNHCR baseline ones; (ii) appointment of resettlement officers to oversee resettlement activities at the field offices; and (iii) a clear anti-fraud messaging strategy aimed at PoCs as an important component of preventing fraud.*

## **D. Cash-based interventions**

There was a need to strengthen internal controls and management oversight over CBI to ensure that project objectives are achieved and related resources safeguarded

35. CBI in Rwanda started in November 2016 as a pilot, with the Representation transitioning to fully using this modality in 2018. Whereas the Representation had a four-year CBI strategy from 2017, it remained in draft two years into the implementation of the programme. It also lacked a CBI exit strategy outlining: (i) the criteria to trigger phasing-out and how it would happen; (ii) assessments that would be undertaken to determine the continued need for CBI; and (iii) a communication strategy to inform beneficiaries about the phasing out of the programme. This was important considering the protests that happened in the camps that were partly attributed to the reduction in distribution of cash for food.

36. The Representation also did not carry out a feasibility study prior to instituting CBI to guide its design and determine the best delivery modalities in the Rwanda context. In consequence, after the launch of the CBIs for returnees, there was a high number of fraudulent cases as Rwandan and Congolese nationals presented themselves as returnees, which was addressed by bringing the National Identity Documents Agency on board to strengthen the returnee verification process. OIOS identified gaps in the Representation's design and implementation of CBI, e.g. the Representation did not consider targeting the most vulnerable. It instead distributed CBIs based on family composition regardless of whether they had other sources of income. The Representation attributed this to lack of socio-economic data at the household level to facilitate effective targeting. It planned to undertake such targeting in 2020. Regarding coverage of specific refugee and returnee protection risks and assessed needs, the Representation split the annual assessed cash needs into four equal quarterly payments. However, PoCs were unable to save the quarterly payments for long periods of time and instead used the money to buy other items.

37. The Representation also did not adjust the payments to reflect changes in the operating environment that impacted refugees. For example, it did not provide refugees with money for clothing since it distributed donated second-hand clothes. However, this was not adjusted following the ban of importation of second-hand clothes by the Government in 2017. The Representation had identified the risk that PoCs would not use the cash for intended purposes, but the proposed actions did not mitigate the identified risks. Nevertheless, the Representation had completed the post-distribution monitoring process and was compiling a report at the time of the audit. The Representation sometimes made payments to PoCs later than their due date. For example, at the time of the audit mission in March 2019, the Representation had not made any disbursements since October 2018, which created difficulties especially for refugees who solely depended on CBI for their livelihood. The Representation attributed this delay to issues with budget allocation at the beginning of the year.

38. The Representation piggybacked on another United Nations agency's procurement procedures to identify a financial services provider (FSP) which was not only cost-effective but also saved time.

However, the Representation did not assess whether the FSP's CBI design met UNHCR's specific needs. OIOS reviewed the payment systems and processes used to process the 33,234 CBI transactions and noted that the Representation used Excel spreadsheets to process payments. This tool was susceptible to error and manipulation due to lack of data safety features. The Representation was unable to use CashAssist (UNHCR's automated CBI payment tool) because the available version was not compatible with the ProGres version deployed in Rwanda. All transactions were also processed outside MSRP and ProGres, which complicated the reconciliation process since postings to MSRP were done as lump-sums whereas the FSP debited the UNHCR bank account with individual transactions. The sheer number of the financial transactions required the upload of the payment file in MSRP and automated reconciliation by uploading the bank statements.

39. The above-mentioned deficiencies were mainly due to the lack of a feasibility study at the start of the programme to inform the design of the CBI programme. These weaknesses exposed the Representation to the risk that the CBI programme may not target the most vulnerable and ensure PoCs receive the cash promptly, and that CBI resources may not be adequately safeguarded. The fact that the strategy period was coming to an end presented an opportunity for the Representation to learn lessons and strengthen its design and delivery modalities.

**(4) The UNHCR Representation in Rwanda should: (i) update the Cash-Based Interventions (CBI) strategy and standard operating procedures to address the gaps identified in this audit, especially in respect of an exit strategy and targeting of the cash assistance to the most vulnerable; (ii) review the effectiveness of design and delivery modalities in meeting the needs of persons of concern under the CBI programme; and (iii) with the support of headquarters, implement a secure system to process CBI transactions.**

*UNHCR accepted recommendation 4 and stated that: (i) the CBI strategy and SOPs was being updated to reflect the audit recommendations to cover the CBI design and delivery modalities, exit strategy and targeting of cash assistance; and (ii) the Representation had launched CashAssist in most camps to make the payment processes more secure. Recommendation 4 remains open pending receipt of documentary evidence of (i) a finalized CBI strategy and related SOPs to strengthen its design, delivery modalities, exit strategy and targeting; and (ii) completion of the roll out of the CashAssist system.*

## E. Construction

There was a need for the Representation to strengthen controls around planning, procurement, implementation and monitoring of construction contracts so that it gets best value from these activities

40. The Representation directly implemented construction projects worth \$1.2 million in 2018. However, due to weaknesses in planning and needs assessment, the process to identify contractors for constructing 16 classrooms had to be cancelled because the allocated site was inappropriate for the project. Also, the planned construction of three communal hangars for receiving asylum seekers had to be retroactively changed to one communal hangar and two multi-purpose halls because the projected PoC numbers did not materialize. In addition, the contract for construction work at the Representation's office premises was increased by 25 per cent within a month of starting the work because additional needs were identified immediately after the work started.

41. The Representation primarily followed the request for proposal (RFP) method as opposed to the invitation to bid (ITB) for identifying contractors. The ITB method would have been more suitable since the contract requirements were specified thoroughly, which meant that all vendors could submit bids on the

same basis for evaluation. OIOS estimated that the use of ITB for the construction of 16 classrooms would have resulted in savings worth RWF 26 million (\$29,000). In other cases, the Representation also followed the Request for Quotation (RFQ) method even though contract values were above the specified threshold. Also, bidding timelines for large contracts systematically ran for only one to two weeks as opposed to the required four to eight weeks. For example, for the office construction project, bidders were given seven days to respond to the bid notice.

42. The Representation's evaluation committees systematically included at least one engineer which was a good practice. However, the Representation did not consistently follow the pre-established evaluation criteria which raised questions about the fairness of the procurement processes. For example, bidders that did not comprehensively complete the Bill of Quantities template were in some cases automatically disqualified; however, the same rule was not applied in the case of the construction of classrooms in Kageyo where the Representation opted to go back to the bidders and request for the missing information. In this case, the three bidders were all contractors that were frequently awarded contracts by the Representation. In some other cases, the evaluation criteria were changed and decisions made on technicalities introduced after the process was completed.

43. Several contracts reviewed by OIOS contained gaps and/or errors and the scope of work in the contracts and purchase orders was not aligned to what was in the bidding documents. For example: (i) the scope of work listed in a contract related to a different contract; (ii) the contract scope excluded works that were paid for; and (iii) the specific quantity to be constructed was not indicated. Also, contrary to the General Conditions of Contract for Civil Works, seven out of a sample of eight contractors did not provide a performance security covering the period of the construction as a guarantee for the proper execution of the contract. In addition, no evidence of contractors' insurance of works was on file. There were also variations between the bid, the contract and actual deliverables, as in the contract for construction of hangars and accommodation units.

44. OIOS' review of payments revealed inconsistencies regarding the conditions that needed to be fulfilled for fees to be paid. For example, in some cases, the contract required that the contractor reach certain milestones, e.g. completion of the foundation, and in other cases, the contractor had to complete a specified percentage of work, e.g. 30 per cent of the works. The conditions for payment were also not clear, leaving room for interpretation. For example, where first payment was subject to the completion of preliminary works, some contractors received payment upon mobilization at the site, and others when the foundation was completed or when the overall construction was 30 per cent completed. No documentation was provided to evidence that the engineer had certified the percentages reported as having been reached. Payments were made inclusive of tax but most contractors were yet to submit proof of payment to enable the Representation to claim back the VAT paid.

45. The Representation was responsible for implementation of the construction works but lacked a formalized process for monitoring construction activities (how often, who should attend, and follow-up of challenges noted). It was therefore difficult to identify the progress made and appreciate the challenges faced by the contractors if any. Also, contrary to the General Conditions, the Representation did not consistently maintain documentation to evidence that weekly site visits took place to assess progress and quality of the works in accordance with contracts. The Representation did not sign off the few reports that were available. OIOS was only provided with several hand-written notes as evidence of site meetings.

46. In the opinion of OIOS, many of the weaknesses noted above were attributed to inadequate clarity in the roles and responsibilities of different teams involved in construction, as well as inadequate segregation of duties. Checks and balances that should have been in place were missing. Overall, the Representation had not established proper structures, systems and processes to plan, manage, and monitor the construction works. These weaknesses increased the risk of failure to obtain good value for money on

the Representation's construction works. Also, the Representation was exposed to increased fraud risks given that construction activities are a high-risk area.

**(5) The UNHCR Representation in Rwanda should put in place measures to strengthen planning, implementation, management and oversight of construction contracts to ensure that the projects are executed in an efficient and effective manner and realize good value for money.**

*UNHCR accepted recommendation 5 and stated that: (i) staff had been reassigned to strengthen monitoring and overall coordination of construction works; (ii) the construction SOPs had been finalized; and (iii) it had engaged engineers at each Field/Sub Offices to monitor all construction/shelter activities within the camps; and (iv) the Supply Unit was developing an action plan to address procurement related issues in construction. OIOS noted the actions that had been taken in strengthening the controls over construction activities. Recommendation 5 remains open pending receipt of documentary evidence of: (i) a plan of action on issues to be addressed by the Supply Unit, Local Committee on Contracts (LCC), heads of offices and technical experts; and (ii) reports of joint monitoring of construction activities by engineers and multi-functional teams.*

## **E. Planning and resource allocation**

### The Representation needed to ensure efficient and effective use of resources

47. As part of its annual planning process, the Representation planned and prioritized its operations, consulted the Government and reached agreement on broad priorities. The Representation's MYMP protection and solutions strategy provided a longer-term vision for tackling and resolving protection and solutions challenges in a sustainable manner. However, this vision was not translated into operational strategies that defined how strategic objectives would be achieved in areas like health and WASH, as discussed earlier in this report. Also, the 16 per cent reduction in the Representation's operating budget (from \$42.9 million in 2017 to \$35.9 in 2018) created challenges in meeting the growing needs of PoCs.

48. The Representation did not adjust its strategies to respond promptly to changes in Government policies that were likely to increase the required investment to deliver services to PoCs in a compliant manner. This included the requirement to construct multi-story buildings and the change from the double to single shift education system which would increase the number of classrooms and teachers. The Representation was also inadequately prepared to respond to the Government directive to ban the use of firewood effective January 2019, despite plans to ban this form of energy having started as far back as early 2017. The Representation's five-year strategy on environmental protection and access to clean energy (2019–2023) prepared in December 2018 was not comprehensive and effective in guiding the decision-making process. For example, the different energy sources detailed in the strategy were not costed, nor were the preferred options for different camps identified. Further, the strategy favored the liquefied petroleum gas (LPG) option but did not consider the dangers that came with its use in the camps, e.g. fires.

49. The firewood stock held was estimated to last only until March 2019 and no concrete plans were in place on what energy source would be used thereafter. The Representation opted for the use of LPG for larger camps but lacked funding to roll out this option. The strategy provided for \$4 million just for 2019 but the Representation had only \$0.3 million at its disposal and needed a further \$1.6 million per year for gas. It also opted to use pellets and briquettes for smaller camps; yet they were made from wood and saw dust for which there was no sustainable supply. The Representation had not considered the use of biogas from sewage waste in the camp which was not only environmentally cleaner and cheaper than LPG but would also offer a solution to desludging problems in camps. This was despite there being several

successful biogas projects in the country. The Representation committed to commission a study by 30 June 2019 to assess the feasibility of a biogas project in selected refugee camps.

50. UNHCR headquarters did not equitably allocate funds between the Burundian and Congolese PoCs, with 64 per cent of the programme budget going to the former, yet they comprised 48 per cent of the total refugee population. As a result, although children in all other camps got hot meals, the Congolese secondary children in Kiziba camp did not get hot meals. Also, all teachers and children in the camps received textbooks except for the Kiziba School that catered for Congolese children. There were no child-friendly spaces in Kiziba or an equipped youth center; yet 48 per cent of the camp population were minors. The Kiziba camp that housed over 17,000 PoCs did not have hand washing facilities and had 80 showers that did not have doors or roofs, thereby exposing the refugees to the risk of sexual violence.

51. The MYMP protection and solutions strategy noted that the Government would, through the Comprehensive Refugee Response Framework (CRRF), take a lead role in the delivery of services to refugees, thereby reducing UNHCR funding in the medium to long term. While initial commitments were made, key structures and processes to support the operationalization of CRRF had not been instituted. OIOS was informed that a National Coordination Group was in place; however, structures to support the work of the national group were not operational. Consequently, key documents that would guide the CRRF process, e.g. the national action plan, were not yet in place.

52. The inclusion of 30,000 urban refugees in the national health insurance was expected to highly subsidize related costs. However, at the time of the audit, commitments made by the Government in September 2016 had not been operationalized although time lines initially set had passed. These included: (i) launch of a joint livelihoods strategy; (ii) ensure that 100 per cent of refugees are in possession of valid refugee identity cards issued by the government of Rwanda by end of 2017; and (iii) ensure that 100 per cent of refugee students in secondary schools and 50 per cent in primary schools will be integrated into national education system by end of 2018. This implied that, contrary to the MYMP strategy, the Representation would still invest resources in the provision of related services in the medium to long term.

53. Although reduced funding and challenges in prioritizing the limited funding were well known, the Representation could have realized savings by capitalizing on health financing opportunities such as that from the Global Fund and USAID. For example, for HIV treatment, the Burundian refugees should have been incorporated in the Government's quantifications for medicines and thus had access to free treatment from the Global Fund. The Representation also missed opportunities to implement projects cost effectively, for example despite funding cutbacks, the Representation retained all 12 partners without assessing if there were more cost-effective ways for implementing programmes.

54. The Representation also did not have timely, accurate and relevant performance data to inform its planning and decision making. For example, key health indicators such as the under-5 mortality rate, prevalence of global acute malnutrition and under-5 anaemia were reported as being above the standards of the World Health Organization. However, the 2017/18 Standardized Expanded Nutrition Survey undertaken in all the camps showed that performance was below the standards and therefore the figures reported in Focus were not accurately presented and would be corrected during midyear review in 2019.

55. The above issues were due to shortcomings in management oversight over planning, monitoring and reporting, and lack of a dedicated manager tasked with the overall review of the resource allocations and planning information. As a result, allocation of the resources to the two main population groups was uneven and there was a risk that delivery of services to PoCs was not cost effective.

**(6) The UNHCR Representation in Rwanda should: (i) strengthen its strategic planning processes by reviewing the allocation of roles and responsibilities to reinforce accountability at the strategic level; (ii) implement a coordinated plan of action to address the risks associated with the mobilization and allocation of available resources; and (iii) institute measures to strengthen programme performance management.**

*UNHCR accepted recommendation 6 and stated that: (i) it had completed the reallocation of supervisory roles among senior management over key programme activities; with heads of sections required to submit weekly updates to the Representative; (ii) it was developing a co-ordinated plan of action to address the risks associated with the mobilization and allocation of available resources; and (iii) risk based monitoring plans had been agreed with partners. Recommendation 6 remains open pending receipt of documentary evidence of: (i) implementation of a coordinated plan of action to address the risks associated with mobilization and allocation of resources; and (ii) the institution of measures to strengthen programme performance management.*

#### **IV. ACKNOWLEDGEMENT**

56. 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 Rwanda for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	The UNHCR Representation in Rwanda should: (i) prioritize the development of a water, sanitation and hygiene (WASH) strategy backed by standard operating procedures to direct the provision of related services to persons of concern; (ii) strengthen its capacity to plan, manage, coordinate and monitor the WASH programme by deploying technical specialists; and (iii) strengthen the selection, management and monitoring of partners to ensure programmes are implemented in a cost-effective manner.	Critical	O	Submission to OIOS of documentary evidence of (i) finalized WASH SOPs; (ii) recruitment of WASH officers at the Branch office and all camps; and (iii) strengthened processes for the selection, management and monitoring of partners.	31 December 2019
2	The UNHCR Representation in Rwanda should strengthen its management oversight in delivering health programmes to refugees by: (i) developing a country specific health strategy and standard operating procedures; (ii) ensuring grant funds received for prevention and treatment of HIV, tuberculosis and malaria are properly accounted for; and (iii) strengthening the monitoring of partners including management of medicines.	Important	C	Action completed.	Implemented
3	The UNHCR Representation in Rwanda should: (i) review its resettlement standard operating procedures to ensure they are aligned to the UNHCR baseline ones; (ii) review and institute measures to address impediments to meeting its annual resettlement targets especially in Kiziba camp; and	Important	O	Submission to OIOS of documentary evidence of (i) comprehensive SOPs that are in line with UNHCR baseline ones; (ii) the appointment of resettlement officers to oversee resettlement activities at the field offices; and (iii) a clear anti-	31 December 2019

<sup>1</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>2</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>3</sup> C = closed, O = open

<sup>4</sup> Date provided by UNHCR in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
	(iii) strengthen fraud prevention and detection measures to mitigate against related risks specifically, the preparation of the fraud risk assessment and fraud vulnerability review.			fraud messaging strategy aimed at PoCs as an important component of preventing fraud.	
4	The UNHCR Representation in Rwanda should: (i) update the Cash-Based Interventions (CBI) strategy and standard operating procedures to address the gaps identified in this audit, especially in respect of an exit strategy and targeting of the cash assistance to the most vulnerable; (ii) review the effectiveness of design and delivery modalities in meeting the needs of persons of concern under the CBI programme; and (iii) with the support of headquarters, implement a secure system to process CBI transactions.	Important	O	Submission to OIOS of documentary evidence of (i) a finalized CBI strategy and related SOPs to strengthen its design, delivery modalities, exit strategy and targeting; and (ii) completion of the roll out of the CashAssist system.	31 December 2019
5	The UNHCR Representation in Rwanda should put in place measures to strengthen planning, implementation, management and oversight of construction contracts to ensure that the projects are executed in an efficient and effective manner and realise good value for money.	Important	O	Submission to OIOS of documentary evidence of (i) a plan of action on issues to be addressed by the Supply Unit, LCC, heads of offices and technical experts; and (ii) reports of joint monitoring of construction activities by engineers and multi-functional teams.	31 December 2019
6	The UNHCR Representation in Rwanda should: (i) strengthen its strategic planning processes by reviewing the allocation of roles and responsibilities to reinforce accountability at the strategic level; (ii) implement a coordinated plan of action to address the risks associated with the mobilization and allocation of available resources; and (iii) institute measures to strengthen programme performance management.	Important	O	Submission to OIOS of documentary evidence of (i) implementation of a coordinated plan of action to address the risks associated with mobilization and allocation of resources; and (ii) the institution of measures to strengthen programme performance management.	31 December 2019

# **APPENDIX I**

## **Management Response**

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments (to be published)
1	The UNHCR Representation in Rwanda should: (i) prioritize the development of a water, sanitation and hygiene (WASH) strategy backed by standard operating procedures to direct the provision of related services to persons of concern; (ii) strengthen its capacity to plan, manage, coordinate and monitor the WASH programme by deploying technical specialists; and (iii) strengthen the selection, management and monitoring of partners to ensure programmes are implemented in a cost-effective manner.	Critical	YES	Associate WASH Officer  Deputy Rep (Ops)  DPSM/ RBA	31/12/2019    31/12/2019	(i) A Comprehensive WASH Strategy for the Rwanda operation has been finalized. SOPs to direct the provision of related services to persons of concern are being formulated. The SOP on Hygiene Promotion which is in progress will be finalized before 31/10/2019.  (ii) The deployment of technical specialists to strengthen WASH has been unsuccessful so far. A request for deployment was sent to HQ and followed up with several emails but to date no standby partner has proposed a deployee. We will keep following this up.  A request was also made to DHR for a TA of a staff in need of placement with a WASH Officer profile but so far there are no candidates. Given budgetary constraints the Rwanda operation cannot charge a TA against its ABOD and as such a request is to be submitted under the Revised Resource Allocation Framework provisions for the creation of a P3 WASH Officer position effective 01/01/2020. A Shelter/WASH Assistant position has been created for SO Kirehe and recruitment is ongoing. Once the

<sup>5</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>6</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.

					<p>recruitment is completed, the Rwanda operation will have Shelter/WASH assistants in every camp except Gihembe camp that will be covered by the Associate WASH Officer based in Kigali.</p> <p>(iii) Action is ongoing to strengthen the selection, management and monitoring of partners. IPMS conducted a workshop on the Framework of Implementing with Partners in UNHCR Kigali from 17/06/2019 to 19/06/2019 attended by all relevant UNHCR Rwanda colleagues. Partner selection, management and monitoring were key concepts dealt with during the workshop</p> <ul style="list-style-type: none"> <li>• After the training the operation has already published a call for Expression of Interest to partner with UNHCR in different areas.</li> <li>• The selected team that will evaluate the concepts received will be competent enough to conduct the evaluation and selection of the partners. The team were taken through the selection, retention and also monitoring of partners. The teams have been put in place by sector</li> <li>• Since the multi-functional teams have engagement with partners on a day to day basis, the knowledge gained will be of great importance in management and monitoring of partners.</li> </ul> <p>In addition: a) WASH standard data are collected on a monthly basis and</p>
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31/12/2019

						<p>uploaded on the Integrated Refugee Health Information System (IRHIS) and used for decision making.</p> <p>b) A frame agreement for the desludging services has been signed with a private company to complement the existing old fleet of UNHCR trucks that often break down and compromise WASH (desludging and garbage collection activities) in the camps. The deployment of the trucks (UNHCR &amp; rental) is also being rationalized to address concerns about inefficient deployment of trucks</p> <p>The operation has also developed a joint monitoring tracking form for the management of waste disposal (i.e. quantity collected in m3 per site).</p> <p>c) In 2018 two Knowledge, Attitude and Practices (KAP) surveys were conducted in two camps (Mugumbwa and Kigeme).</p> <p>KAP surveys will be conducted in all camps by 31/12/2019.</p> <p>d) The Rwanda operation has terminated the partnership with the existing WASH Partner in Mahama camp and the reception and transit centers effective 6 September 2019.</p> <p>e) The call for expression of interest to select the new WASH partner was launched on 28 June 2019. The selection process is ongoing and is expected to be finalized by 2nd September 2019.</p>
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2	The UNHCR Representation in Rwanda should strengthen its management oversight in delivering health programmes to refugees by: (i) developing a country specific health strategy and standard operating procedures; (ii) ensuring grant funds received for prevention and treatment of HIV, tuberculosis and malaria are properly accounted for; and (iii) strengthening the monitoring of partners including management of medicines.	Important	YES	<p>i) Public Health Officer</p> <p>ii) Senior Programme Officer</p> <p>(iii) Senior Programme Officer</p>	<p>Completed 31/08/2019</p> <p>31/12/2019</p> <p>31/12/2019</p>	<p>(i) The Country Health Strategy has been finalized, validated by the HQ Public Health Section and signed by the Representative. The existing health-related SOPs on Referrals, Urban Health Policy and Medicine Procurement) have been updated and a new Drug Management SOP finalized and implementation is ongoing.</p> <p>(ii) Regarding accountability for grant funds received for prevention and treatment of HIV, tuberculosis and malaria, the following actions have been undertaken:</p> <p>a) In consultation with the Ministry of Health and the external auditors who audited the project, the Health Partner has submitted evidence on the bulk procurement for drugs/supplies on the prevention and treatment of HIV, tuberculosis and malaria including Burundian refugees. The final report has been submitted to the Donor.</p> <p>b) The Health Partner has refunded the 2017 audit recovery (USD 205K) and the 2018 project unspent balance (USD 267K) to UNHCR.</p> <p>c) The drugs/supplies on the prevention and treatment of HIV continue to be delivered to the Burundian refugees.</p> <p>(iii) Measures have been taken to strengthen the monitoring of partners.</p> <ul style="list-style-type: none"> <li>• Putting in place and implementing a medical mission monitoring plan,</li> </ul>
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				& Public Health Officer		<ul style="list-style-type: none"> <li>• Organizing training activities to build capacity of staff in the field for MFT monitoring,</li> <li>• Senior Management emphasizing to the MFTs the need to monitor,</li> <li>• Public Health Coordination meetings,</li> <li>• Partners are required to submit monthly consignment reports and monthly inventory reports at different levels (pharmacy level and central warehouse level) starting July 2019,</li> <li>• Partners to specify medicines/group of medicines when reporting shortage as a challenge/gap,</li> <li>• Partners are now required to comply with the medicine management protocols,</li> <li>• The SOPs on Drug management has been finalized and are being used for implementation by Health Partners,</li> <li>• Partner pharmacies are being regularly monitored (monitoring reports attached) and</li> <li>• Bilateral meetings are conducted with individual partners to understand, assess and mitigate risks and identify gaps for capacity building.</li> </ul>
3	The UNHCR Representation in Rwanda should: (i) review its resettlement standard operating procedures to ensure they are aligned to the UNHCR baseline ones; (ii) review and institute measures to address impediments to meeting its annual resettlement targets especially in Kiziba camp; and (iii) implement	Important	YES	i) Resettlement Officer  HQ DIP Resettlement Service	08/08/2019  31/12/2019	(i) and (iii) The Representation's resettlement SOPs were in review at the time of the audit and were finalized in May 2019 after the audit field mission and include all the requisite annexes. They are further aligned in content with the Baseline SOPs.



	<p>appropriate fraud prevention and detection measures to mitigate against related risks specifically, the preparation of the fraud risk assessment and fraud vulnerability review.</p>			<p>(iii) Resettlement Officer</p> <p>Associate Risk Management Officer</p> <p>HQ DIP Resettlement Service</p> <p>Resettlement Officer</p>	<p>31/12/2019</p>	<p>The Representation did prepare fraud risk assessments and fraud vulnerability review in line with the 2017 Operational Guidelines on addressing fraud. The assessment (Annex 2) which remains relevant for resettlement was shared subsequent to the audit mission. The 2011 Baseline SOPS fraud risk assessment specific to resettlement (Annex 4) was initially not completed as the template is considered outdated given that it is similar in content to (Annex 2) of the 2017 guidelines and refers to the old 2008 fraud guidelines and 2001 confidentiality guidelines. The operation has confirmed with the Resettlement (RST) Service in the Division of International Protection (DIP) that the Baseline SOPs are currently being updated. Nonetheless, the operation has made additional assessments using the 2011 templates to close this recommendation.</p> <p>(ii)</p> <p>a) The Representation has always monitored staffing output through monthly reports. This has been strengthened through weekly reporting of individual staff output by the heads of the resettlement units in the field offices to the Representation in Kigali with justification provided on any unmet weekly output target.</p> <p>b) The Representation highlights that any calculation of output capacity must be commensurate with the operational challenges already noted by the audit findings. This is because:</p>
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						<ul style="list-style-type: none"> <li>• Not all cases processed by individual staff are suitable for submission. Usually after interview and assessment some cases are found not suitable for resettlement submission (e.g. due to family composition changes or child protection concerns necessitating further follow up and resulting in resettlement not being the most appropriate solution);</li> <li>• Not all cases subjected to resettlement country decision and processes are accepted and/or usually depart on resettlement; and that</li> <li>• Yearly resettlement country quotas allocated are not static.</li> </ul> <p>c) Management oversight framework is mainly weak due to the absence of regular staffing in the field as 98% of resettlement staff are affiliate workforce or on temporary assignments which are dependent on donor funding. The creation of two Associate Resettlement Officers at the P2 level effective 01/01/2020 has been requested to strengthen management oversight in FO Kabarore and FO Karongi as well as the creation of regular staff at the G6 level in all processing locations.</p> <p>d) Through DIP RST service additional quotas from Australia and Canada have been availed which will help address the multi-year P2 target gap through the submission of an additional 4920 individuals in 2019.</p>
4	The UNHCR Representation in Rwanda should: (i) update the Cash-Based Interventions (CBI) strategy and standard	Important	YES	(i)CBI Officer	31/12/2019	(i) The CBI Strategy and the SOPS are being updated to address the gaps identified during the audit, for e.g.

	<p>operating procedures to address the gaps identified in this audit, especially in respect of an exit strategy and targeting of the cash assistance to the most vulnerable; (ii) review the effectiveness of design and delivery modalities in meeting the needs of persons of concern under the CBI programme; and (iii) with the support of headquarters, implement a secure system to process CBI transactions.</p>			<p>(ii) CBI Officer Associate Risk Management Officer</p>	<p>31/12/2019</p>	<p>design &amp; delivery modalities, exit strategy and targeting of cash assistance. Ongoing discussions with the Central Bank of Rwanda to look at compliance of cash-out requirements which were not factored in the existing SOPs are at an advanced stage. In the update of the strategy given that the current contract with the Service provider will end in September 2019 and jointly with WFP, UNHCR will sign a contract with a new FSP in September 2019 it will be used as an opportunity to map out the lessons learnt in design and implementation. The period of validity of the CBI Strategy will be extended from December 2019 to December 2022 with a review on by September 2020.</p> <p>(ii) System and non-system-based processes are being improved in consultation with the Associate Risk Management Officer to include risk mitigation measures and will be annexed to the SOPs. The frequency of the provision of non-food items for key core commodities (mattress, blankets and kitchen sets) have been modified to one-off transfers.</p> <p>A post-distribution monitoring in all camps (to be completed by 15th September 2019) and an evaluation of the FSP as part of the procurement process are being carried out.</p> <p>Other relevant assessments that will feed into the design of the current Cash Assistance includes market price monitoring, market assessments,</p>
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				CBI Officer	31/12/2019	<p>institutional capacity assessments and delivery mechanism assessments (to be completed by 31 December 2019).</p> <p>(iii)</p> <p>a) The Rwanda Operation has migrated from Progress v3 to v4 and Cash Assist is now live.</p> <p>b) Currently the data quality check is ongoing, and verification has been completed in 5 out of 6 camps (Mahama will be completed by 30 November 2019). This data is qualified to be used for CashAssist, starting from September 2019. The payment for Q4 2019 in all camps will be done through CashAssist.</p> <p>c) Staff trainings on CashAssist are ongoing at all levels (DOAP users). The roles and responsibilities for the Operation has now been summarized. Current simple distribution modalities have been reviewed into CashAssist to include all additional NFI items (kitchen sets, soaps and sanitary pads) that have now been turned to cash in all camps.</p>
5	The UNHCR Representation in Rwanda should put in place measures to strengthen planning, implementation, management and oversight of construction contracts to ensure that the projects are executed in an efficient and effective manner and realise good value for money.	Important	YES	Associate Physical Site Planner Deputy Rep (Ops)	31/12/2019	<p>(i) SOPs for construction including contract management have now been finalized.</p> <p>(ii) A plan of action on issues to be addressed by the Supply Unit, Local Contract Committee (LCC), Heads of Offices and technical experts on all the audit recommendations including on Construction contracts has been formulated in One Note with dates established for periodic review. (Enclosed in the supporting documents)</p>

						<p>All LCC members and alternates were invited to undertake a webinar on the Rules &amp; Procedures of Committees of Contracts on 15<sup>th</sup> or 28<sup>th</sup> May 2019.</p> <p>For construction specifically, the following action has been taken:</p> <p>a) The Representation has put measures in place to strengthen planning, implementation, management and oversight of ongoing construction activities The planning for construction activities and the procurement plan for 2019 have been improved The monitoring plan for construction is being implemented through regular joint monitoring of activities</p> <p>b) The management of contracts has been strengthened. The contract documentation has been improved. All annexes mentioned in the contract are now attached to the contract itself and the retention fee of 10% is deducted on each invoice not at the completion of the work (as per contract shared)</p> <p>c) The Representation is claiming back the VAT paid. Proof from Rwanda Revenue authority attached.</p> <p>d) In response to paragraph 40, the Operation is using Request for Proposals (RFP) and not Invitation to Bid (ITB) for construction projects as advised by HQ procurement unit to be the best solicitation method for construction projects.</p> <p>(iii) The Representation has engaged engineers at each Field/Sub Offices to monitor all construction/shelter</p>
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						activities within the camps; also, coordinating with the district engineers and other stakeholders on routine joint monitoring of the implementation
6	The UNHCR Representation in Rwanda should: (i) strengthen its strategic planning processes by reviewing the allocation of roles and responsibilities to reinforce accountability at the strategic level; (ii) implement a coordinated plan of action to address the risks associated with the mobilization and allocation of available resources; and (iii) institute measures to strengthen programme performance management.	Important	YES	i) Representative	31/12/2019	(i) The planning process is being strengthened through the strategies formulated or being formulated for the various sectors (WASH, Health, CBI, Environmental Protection & access to clean energy) in alignment with the MYMPPS, change in Government policies and CRRF commitments made by the Government of Rwanda. These are being translated into work-plans and during the needs assessment and resources allocation stages of the planning process are considered and resourced as much as funds allocated allow. As an additional measure to strengthen management oversight, supervisory roles and responsibilities have been reorganised after the Audit to reinforce accountability. The Project Control unit previously supervised by the Deputy Representative (Operations) is now directly supervised by the Representative. The Livelihoods and CRRF units previously supervised by the Senior Programme Officer are now also directly supervised by the Representative. The Technical sections (Health, WASH, Shelter, Energy & Environment) previously supervised by the Senior Programme Officer are now directly supervised by the Deputy Representative (Operations). The position of Associate Risk Management Officer has been filled on TA basis and will help with oversight and risk issues.

				<p>ii) Deputy Representative (Operations) Associate Risk Management</p>	31/12/2019	<p>Weekly Senior Management team meetings are held to ensure that strategic and operational issues are closely followed and action taken and reported.</p> <p>(ii) Heads of sections/units reporting directly to the Representative share weekly updates with the Representative. The Heads of the technical units have work plans that are reviewed periodically with the Deputy Representative and scheduled technical section meetings are held to discuss in detail operational issues affecting the various sectors and to provide guidance and oversight.</p>
				<p>iii) Senior Programme</p>	31/12/2019	<p>The position of Associate Programme Officer SO Kirehe is also to be established effective 01/01/2020 to reinforce strategic planning and accountability at the Sub Office level. A co-ordinated Plan of Action that will address the risks associated with the mobilization and allocation of available resources will be developed and implemented. The first step has begun which is the review and update of the Corporate Risk Register for Rwanda that will address all issues raised in the Audit Report and changes in the Operational Context of the operation. The process of strengthening Programme performance management is in progress.</p> <p>Actions taken so far are as follows: Risk based project monitoring plans involving the field offices have been prepared and finalized with partners for projects as well as with sectoral focal</p>

						<p>persons for direct implementation activities. The signature process of the plans is being finalized. A project monitoring plan for OXFAM's PPA is attached for reference.</p> <p>Tracking sheets for latrine desludging and garbage collection have been developed and put in use at camp levels. The tracking sheets are being signed by refugee representatives, WASH Partners and UNHCR staffs. Monitoring reports for desludging and garbage removal are enclosed for reference.</p> <p>Monthly data on WASH indicators in each camp are collected and uploaded to IRHIS. Monitoring Reports on tracking WASH indicators enclosed for reference.</p>
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