



## **INTERNAL AUDIT DIVISION**

### **REPORT 2021/057**

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

**The Representation needed to further  
strengthen its strategic planning processes,  
fair protection and livelihoods programmes to  
ensure the delivery of services to persons of  
concern in a timely, cost-effective and  
sustainable manner**

**30 November 2021**

**Assignment No. AR2020-151-02**

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

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of operations in Peru 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 its persons of concern (PoCs) in a cost-effective manner and in accordance with UNHCR's policy requirements. The audit covered the period from 1 January 2019 to 31 December 2020 and included: (a) programme planning, monitoring and reporting; (b) partnership management; (c) fair protection process and documentation; (d) cash-based interventions; (e) livelihoods and self-reliance; and (f) procurement and vendor management.

The Representation was established at the end of 2018, amidst a Level 2 emergency. The Representation's effectiveness in implementing programme activities was constrained by the response to the emergency, the COVID-19 pandemic resulting in deteriorating economic conditions and Peru's increasingly restrictive migration and asylum policy. While the newly formed Representation had over time instituted controls over processes, further strengthening was needed to ensure the delivery of services to PoCs in a timely, cost-effective, and sustainable manner.

OIOS made six recommendations. To address issues identified in the audit, UNHCR needed to:

- Ensure up to date and accurate refugee and asylum seeker data is maintained for programming its assistance and to inform its decision making;
- Assist the Government in addressing the backlog of registration and refugee status determination application cases;
- Scale up its transit accommodation interventions so they reach PoCs in need and institute guidance to ensure that quality services are provided in protecting them;
- Implement a risk-based approach to monitoring programme implementation by partners and support their processing of value-added tax refund claims;
- Review and where necessary address capacity gaps to ensure that its transition to direct implementation of the cash-based interventions programme does not impact its effectiveness; and
- Develop a strategy to scale up its livelihoods interventions to ensure greater coverage of identified needs among persons of concern.

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

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

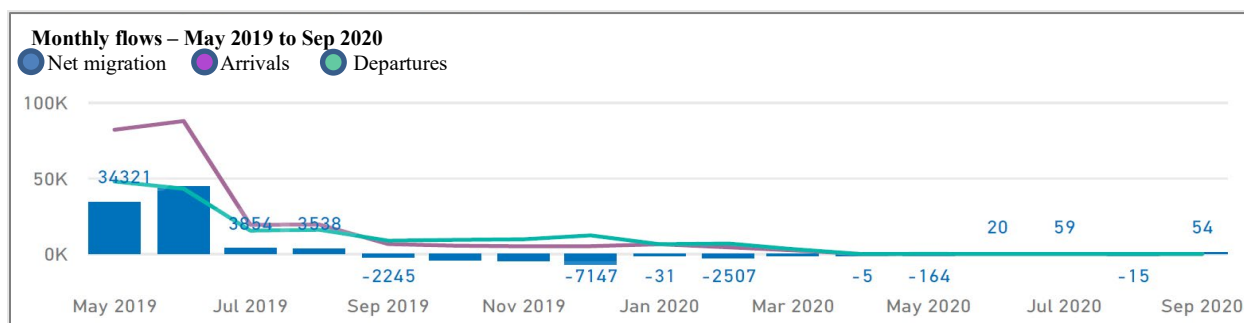
## I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of operations in Peru for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. The UNHCR Representation in Peru (hereinafter referred to as ‘the Representation’) was established in November 2018, amidst a Level 2 emergency, to provide persons of concern (PoCs) with international protection, humanitarian assistance, and durable solutions. As of 31 December 2020, Peru was hosting approximately 1 million Venezuelan refugees and migrants, 539,000 of whom had filed for asylum. Sixty-one per cent of Peru’s 4,303 recognized refugees were from Venezuela. The Government was responsible for registration and refugee status determination (RSD) processes.

3. The influx of new arrivals into Peru reduced significantly during the period as reflected in Chart 1. This was due to the country’s increasingly restrictive migration and asylum policy between December 2018 and June 2019 as well as border closures due to COVID-19 pandemic restrictions from March 2020.

Chart 1: Monthly inflow and departure of PoCs registered by the Superintendent for Migrations



4. The Representation recorded total expenditure of \$14.2 and \$19.8 million in 2019 and 2020 respectively. This represented a 54 per cent funding gap of the operating level budget in the two years. The Representation implemented 75 per cent of its programme activities through 14 and 16 partners in 2019 and 2020 respectively.

5. The Representation was headed by a Representative at the D-1 level and it had, at the time of the audit, 43 regular staff posts and 30 affiliate staff, most of whom were new to UNHCR and its mandate. It had a Branch Office in Lima, a Field Office in Tumbes and Field Units in Arequipa, Cusco and Tacna.

6. Comments provided by UNHCR are incorporated in italics.

## II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess whether the Representation was managing the delivery of services to its PoCs in a cost-effective manner and in accordance with UNHCR’s policy requirements.

8. This audit was included in the 2021 risk-based work plan of OIOS due to the risks related to a newly established office having to respond to an emergency involving a significant influx of PoCs.

9. OIOS conducted this audit from February to April 2021. The audit covered the period from 1 January 2019 to 31 December 2020. Based on an activity-level risk assessment, the audit covered higher and medium risks areas, which included: (a) programme planning, monitoring and reporting; (b) partnership management; (c) fair protection process and documentation; (d) cash-based interventions (CBIs); (e) livelihoods and self-reliance; and (f) procurement and vendor management.

10. The audit methodology included: (a) interviews with key personnel using virtual meeting tools including five partners and eight beneficiaries; (b) review of scanned copies of relevant documentation; (c) analytical review of data including financial data from Managing for Systems, Resources and People (MSRP), the UNHCR enterprise resource planning system, and performance data from FOCUS, UNHCR's results-based management system; and (d) sample testing of controls. OIOS was unable to assess controls that required physical observations and conduct related tests due to travel restrictions occasioned by the COVID-19 pandemic.

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

### **III. AUDIT RESULTS**

#### **A. Programme planning, monitoring and reporting**

##### More accurate PoC data was needed for programming of assistance

12. In its multi-year, multi-partner protection and solutions strategy (2019-2021), the Representation sought to transition PoCs from the emergency phase of displacement to more durable solutions. This was informed by a participatory assessment in 2019 that identified PoC needs. These priority needs included (a) promoting access to the territory and legal stay for refugees and migrants; (b) provision of humanitarian assistance and protection services to PoCs particularly those with specific needs; and (c) promoting community and area-based interventions. The Representation also conducted a programme criticality analysis to inform its reprogramming of \$1.1 million towards the COVID-19 pandemic response.

13. Additionally, the Representation with support from the Regional Bureau developed standard operating procedures (SOPs) on the implementation of key protection strategies. Therefore, through its programmes, the Representation assisted in creating the desired impact in reducing sexual and gender-based violence and improving reception conditions. However, due to the COVID-19 pandemic, deteriorating economic conditions, the shrinking protection space in Peru and the changing attitudes among the population towards PoCs, certain activities could not be implemented such as ensuring PoCs: (a) had sufficient basic and domestic items; (b) co-existed peacefully with local communities; (c) were self-reliant and had livelihoods; (d) had access to quality status determination procedures and reception conditions; and (e) had improved access to the territory in order to reduce the risk of refoulement. Taking into consideration the challenging operational environment, the Representation adjusted its targets in 2021 to reflect what could be achieved.

14. During the audit period, the Government partner's registration system was updated, and this resulted in improved data collection of over 260,000 asylum seekers. Although the Representation had access to registration information, it did not yet have a formal agreement with the Government partner to facilitate regular and timely sharing of data. The Government's updated system allowed for the aggregation of data by age, gender and diversity, but as all the relevant information had not yet been captured, this functionality was limited. The Representation rolled-out proGres version 4 in Peru and collected data of over 105,400

asylum seekers receiving direct assistance. However, to ensure that the Representation obtains reliable and complete data for programming and decision-making purposes, further action was required as shown below:

- The previous process at the Government’s decentralized registration offices did not identify asylum-seekers with specific needs for the Representation to target and thus assist the most vulnerable PoCs;
- Some 210,000 asylum-seekers were yet to be verified prior to being migrated to the Government partner’s new registration system, Qoricancha II (QII); and
- No physical verification of PoCs had been conducted by the Government since 2016. The Representation along with a Government institution planned to verify Venezuelan PoCs in Peru to enable the Government partner to update its records and better understand PoC needs.

15. Reliable data to support its programme planning will enhance the Representation’s ability to deliver services to PoCs in a timely, cost-effective, and sustainable manner.

**(1) The UNHCR Representation in Peru should ensure that it has up to date and accurate information for programming its assistance by (i) supporting the Government partner’s verification of refugee data before its migration into the new system; (ii) entering into a formal agreement with the Government partner to facilitate the sharing of data; and (iii) facilitating the identification of persons with special needs during migration of previous registration data.**

*UNHCR accepted recommendation 1 and stated that: (i) it had reached agreement on the verification of the remaining asylum seeker data; (ii) a draft of data sharing agreement has been developed and shared with the Government partner in June 2021 for review and approval prior to their signature; and (iii) the previous registration data was migrated to the new registration system. The ongoing registration activities and verification of the remaining asylum seekers data included collection of specific needs data. Recommendation 1 remains open pending receipt of: (i) evidence of completion of the verification of the remaining asylum seeker data; (ii) progress made in revising and finalizing the data sharing agreement; and (iii) evidence of migration of previous registration data and the progress made in collecting special needs data for this caseload.*

## **B. Fair protection process and documentation**

### Need to address capacity to process registration and RSD processes

16. The restrictive migration and asylum measures in Peru resulted in an increase in persons reported as illegally entering Peru and an even higher risk of smuggling, trafficking, exploitation and abuse of asylum seekers. To address entry barriers faced by PoCs and uphold protection principles, the Representation: (a) in collaboration with other United Nations agencies advocated for improved access to Peruvian territory; (b) trained non-governmental organizations, migration and police officials on international protection; (c) worked with the Ombudsperson for Human Rights on refugee protection at border entry points; and (d) ensured special attention was given to vulnerable groups crossing the border. However, the Representation’s monitoring of entries into the territory and provision of assistance at informal border crossings remained a major challenge, particularly due to the militarization of the northern border.

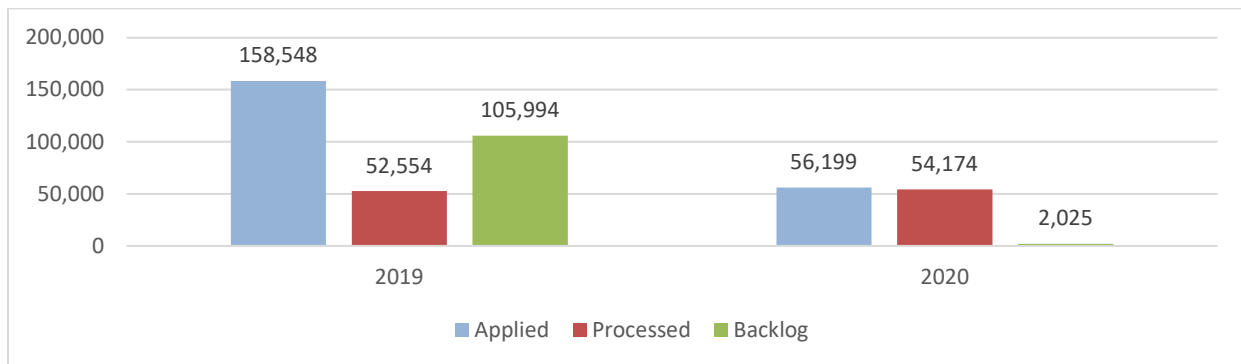
### **Backlogs in registration and RSD processes**

17. To strengthen the Government partner’s capacity to register asylum seekers, issue documentation and conduct RSD for arrivals in Peru, the Representation (a) increased partner personnel numbers from 7 in 2018 to 84 in 2020; (b) supported the redesign of the registration system to capture biometrics and

allowed the printing of asylum seeker identification cards; and (c) established an online pre-registration platform. This online platform facilitated the provision of identification documents and virtual work permits to 54,174 asylum seekers between June to October 2020.

18. However, the Government partner’s processing of registration applications was not commensurate to the exponential increase in the number of arrivals and asylum applications between 2019 and 2020. This resulted in a 68 per cent registration backlog in the QII system (as reflected in Chart 2), with asylum seekers having to wait for over one year for an interview. This backlog figure did not include some 210,000 PoCs who were registered at the partner’s 12 decentralized offices and relevant data had not yet been migrated to the QII system.

**Chart 2: Asylum applications versus processed cases in the QII system**



19. PoCs from Venezuela did not receive refugee status on a prima facie basis and thus they had to apply for RSD. The slow RSD process created a significant backlog, with only 4,303 PoCs (2,628 of whom were Venezuelans) recognized as refugees, leaving about 530,000 cases unprocessed at the end of 2020. To address this backlog, the Representation increased the number of eligibility officers by 25 in November 2020, trained them and developed a concept note to support the classification of different asylum seeker profiles for prioritization. The additional capacity support resulted in the Government partner recognizing 1,346 additional Venezuelans as refugees in the latter half of 2020 compared to 52 in the first half; but it did not significantly affect the backlog.

20. The capacity building interventions above were also impacted by the fact that 84 of the 97 Government partner staff were only hired for the duration of the project partnership agreement (PPA). The need to run recruitment processes for the same staff on an annual basis resulted in staff losses and the need to train new hires. Unless addressed, the backlog increased protection risks for PoCs and affected their access to services and the right to work.

### **Provision of temporary stay arrangements**

21. To mitigate against protection risks created by the backlogs above, the Representation initiated discussions with the Government partner in January 2020, to consider alternative temporary stay arrangements for PoCs. Once finalized, these modalities were expected to provide asylum seekers with a six-month humanitarian residency permit (free of charge) that enabled them to access health, social services, education and the right to work. However, it was unclear whether the receipt of a humanitarian residency permit would deter PoCs from continuing with their asylum applications, a key factor in their decision making. This arrangement also did not protect asylum seekers from refoulement, with the Government reported to have deported Venezuelans with ongoing investigations and criminal cases in 2019. The Representation took action to discuss the issue with the Government and stated that the

Government partner had guaranteed that PoCs benefiting from the temporary stay arrangements would continue to access asylum procedures.

### **Scale-up of the transit accommodation interventions**

22. The Representation supported 12 collective shelters managed by partners and other non-governmental organizations that provided transit accommodation to 4,435 PoCs and planned to expand their capacity so asylum seekers would have shelters that met sphere<sup>1</sup> standards while waiting for their status to be determined. However, at the time of the audit, the Representation had not yet completed the mapping and identification of existing shelter infrastructures for expansion at borders and in other locations (Cusco, Arequipa, Trujillo) that had a high presence of Venezuelans.

23. The number of collective shelters in Peru remained inadequate calling for the Representation to mobilize additional funding to meet PoC needs. Further, the Representation, had not developed guidance regarding the standards that collective shelters needed to meet. Thus, it could not assure that access to them and the quality of services provided to PoCs across all collective shelters were adequate regarding (i) the application of a vulnerability-based admission criteria so persons with specific needs are identified for prioritization; (ii) provision of services free of charge; (iii) setting of minimum periods of stay for asylum seekers; (iv) provision of adequate security arrangements; and (v) their certification by the relevant authorities.

**(2) The UNHCR Representation in Peru should develop an action plan jointly with the Government partner to address the registration and refugee status determination backlog in a timely manner.**

*UNHCR accepted recommendation 2 and stated that the Representation, together with its Government counterpart developed an action plan to address the registration and RSD backlog over a period of about 3 years, taking into account the most recent developments with the implementation of the humanitarian residency permit for asylum seekers. Based on the action taken, recommendation 2 has been closed.*

**(3) The UNHCR Representation in Peru should (i) increase capacity of collective shelters in coordination with shelter partners, to accommodate the high numbers of persons in need of transit accommodation; and (ii) issue relevant guidance to collective shelters to provide quality services to persons of concern in accordance with minimum UNHCR standards and Peruvian regulations.**

*UNHCR accepted recommendation 3 and stated that it (i) has increased shelter's capacity within its network; and (ii) is working on a shelter strategy, including a gender-based violence SOP, a case management guideline and an exit strategy, as well as training on minimum habitability standards and Peruvian regulations. Recommendation 3 remains open pending receipt of evidence of: (i) scaled-up transit accommodation capacity among shelter partners; and (ii) issued guidance to service providers to ensure that quality services are provided to PoCs and that collective shelters comply with UNHCR standards and Peruvian regulations.*

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<sup>1</sup> Sphere standards provide minimum standards for shelter and settlements in the humanitarian contexts. These include the right to live with dignity, the right to protection and security, and the right to receive humanitarian assistance on basis of need.



## C. Partnership management

### The monitoring of implementing partners needed to be strengthened

24. The Representation waived the partner selection processes in 2018 due to the emergency. In accordance with UNHCR guidance, it undertook the required call for expression of interest and selected 14 partners in 2019 and 6 new partners in 2020. The signing of PPAs in 2019 took almost nine months but those for 2020 were completed in a timely manner thereby granting partners adequate time to implement programme activities. The Representation designated procurement worth \$1.6 and \$2 million to 13 (2019) and 16 (2020) to partners respectively. The control weaknesses in conducting comprehensive comparative advantage analyses to determine whether it was more advantageous for partners to procure on UNHCR's behalf noted in 2019 and 2020 were rectified in 2021.

25. The Representation had project performance monitoring plans in place, but they were not risk based and finalized in a timely manner. For example, project assessment forms to inform monitoring plans in 2020 were only completed towards the end of the year and identified risks were not considered to assess project specific risks in the PPAs and to develop monitoring plans. For instance, inadequate partner capacity to deliver services and undertake procurement identified in the country risk register were not always considered. Consequently, all partners, irrespective of the size and complexity of activities, were allocated the same risk level and number of monitoring visits.

26. The Representation conducted regular performance and financial monitoring of partners projects. In response to the COVID-19 pandemic and subsequent Government restrictions, the Representation quickly adapted its monitoring and verification mechanisms to remote and virtual means. OIOS' review noted however that there were discrepancies in the mid-year financial and performance monitoring reports for two partners that had not been identified by the Representation. The Representation acted to rectify the issues noted in its final project financial report.

27. Partners registered with the Peruvian tax authorities were eligible for a value-added tax (VAT) reimbursement on purchases incurred under PPAs. However, many partners did not get reimbursement because they did not comply with the VAT refund procedures, which required them to pre-register projects and budgets with the tax authorities. The Representation, therefore, needed to train partners on relevant processes to follow so as to minimize the loss of funds when VAT paid is not refunded.

28. The above-mentioned issues were mainly because the Representation was newly established, with the project-control function only initiated in July 2020. Therefore, although improvements throughout the period were evident, attention was still needed to improve partnership management.

**(4) The UNHCR Representation in Peru should strengthen its monitoring of partners by adopting a risk-based approach and train local partners on processes to follow to get value-added tax refunds.**

*UNHCR accepted recommendation 4 and stated that it would: (i) review the project performance monitoring plans so they reflect each partner's risks; and (ii) organize capacity development activities for partners eligible to apply for VAT reimbursement, including exchange of best practices applied by international partners. Recommendation 4 remains open pending receipt of: (i) the revised project monitoring plans based on the re-evaluated partner risks; and (ii) evidence of the capacity building activities undertaken for partners eligible to apply for VAT reimbursement.*

## D. Cash-based Interventions

### The Representation needed to assess its internal capacity prior to transitioning the CBI programme to direct implementation.

29. The Representation's strategy aimed at scaling up the use of CBI as a modality for service provision to 25 per cent of the available budget through unrestricted multipurpose cash grants and sectoral assistance primarily for livelihoods. The strategy was first drafted in 2019 and updated in July 2020 to take into account COVID-19 related circumstances. The Representation implemented \$4 million (19 per cent) worth of its overall programme budget through CBI and reached 13,991 and 52,996 beneficiaries in 2019 and 2020 respectively. Post-distribution monitoring conducted in 2020 showed that PoCs used the cash to cover accommodation, food and health needs.

30. To avoid duplications with interventions by other actors, the Representation, in coordination with the inter-sectoral CBI coordination sub-group, instituted a database in late 2019 to verify and register CBI assistance. However, restrictions by the Central Bank on PoCs' opening of bank accounts constrained the operation of the CBI programmes. The Representation opted to use personal accounts of partner personnel to transfer funds to PoCs. This and the commingling of UNHCR funds with those of other donors presented increased risks regarding the safeguarding of resources. However, proper mitigation measures had been put in place to ensure proper accountability of funds.

31. The Representation implemented the CBI programme through eight partners because it did not have a host country agreement until June 2020 and local bank account until October 2020. It planned to transition to direct implementation in the second half of 2021. By March 2021, the Representation had mapped the financial service providers and drafted terms of reference for financial service providers. However, while the Representation had increased the capacity of its CBI Unit in 2020 and established an officer post and a temporary associate position, it had not assessed the impact of the direct implementation of CBI activities on the workload of its staff. Therefore, the Representation needed to review the adequacy of staffing levels to ensure the effective management and oversight of the CBI programme.

32. OIOS reviewed sample documentation and transactions at three partners implementing the CBI programme and found that in general, the transactions and deliverables were well supported and documented. Also, OIOS interviewed eight randomly selected beneficiaries, who all confirmed receipt of funds and expressed satisfaction with the services provided.

**(5) The UNHCR Representation in Peru should review and where necessary address capacity gaps to ensure that its transition to direct implementation of the cash-based interventions programme does not impact its effectiveness.**

*UNHCR accepted recommendation 5 and stated that it has steadily advanced in its transition to direct implementation of CBI and its staff capacity is also being enhanced. Recommendation 5 remains open pending receipt of evidence of the review of office capacity to effectively implement CBI directly and enhancement of staff capacity to support the increased workload.*

## E. Livelihoods and self-reliance

### The Representation needed to scale-up its livelihoods intervention

33. The Representation's strategy for 2019-2021 aimed at migrating from an emergency response to providing longer-term sustainable interventions through amongst others, ensuring self-reliance and economic inclusion of its PoCs in line with the regional strategy and identified needs. To operationalize its strategy, the Representation participated in inter-agency activities, recruited six livelihoods partners by 2020 and undertook market and baseline surveys.

34. The Representation implemented its programme through four partners in 2019 and six in 2020 by focusing on supporting PoCs in (self) employment and business planning; small commercial activities, validating foreign educational certificates for recognition in Peru and piloting a graduation model project. OIOS review of livelihoods interventions implemented by partners and a sample of partners financial transactions concluded that the Representation had established adequate monitoring and reporting controls.

35. For these activities, the Representation spent \$0.40 million and \$0.95 million and reached 2,275 (2019) and 3,533 (2020) beneficiaries respectively, and also provided another 1,435 PoCs with guidance on labor market opportunities. In line with its strategy, it increased the CBI component of the livelihoods programme from \$140,000 (35 per cent) in 2019 to \$580,000 (59 per cent) in 2020. It provided cash for livelihoods purposes (for small commercial activities) and was able to assist 468 PoCs with specific needs. This, however, was very limited when compared with the number of PoCs and the size of unmet needs.

36. The lockdown due to the COVID-19 pandemic had interrupted most of the livelihoods activities. Some activities, such as training and job fairs, were restarted using virtual modalities but were not effective in increasing the employability of PoCs, since economic activities had also declined during COVID-19. Thus, while the Representation achieved all revised livelihoods output indicators for 2020, the overall impact indicator (extent PoCs having formal access to work) remained at only 35 per cent against a target of 100 per cent. There was a need therefore, taking into consideration the current environment resulting from COVID-19, to review its strategy to improve the impact of its livelihoods interventions.

**(6) The UNHCR Representation in Peru should, in developing its livelihoods strategy, scale up its interventions to ensure greater coverage of identified needs among persons of concern.**

*UNHCR accepted recommendation 6 and stated that it was in the process of finalizing its livelihoods strategy. Recommendation 6 remains open pending receipt of a strategy detailing how livelihood interventions will be scaled up.*

## F. Procurement and vendor management

### There were improvements to controls in the procurement process during the period reviewed

37. The Representation issued 381 purchase orders valued at \$5.5 million during the audit period. It obtained approvals to extend the application of emergency procurement procedures throughout 2019 and again from March 2020 due to the COVID-19 pandemic. This enabled the Representation to use an increased request for quotation (RFQ) threshold to expedite its procurements.

38. OIOS' review of 26 purchase orders and related contracts and frame agreements amounting to \$1.3 million (representing 24 per cent of local procurement undertaken) indicated weaknesses in the procurement

processes applied during the initial stages of the emergency and this impacted the Representation's ability to obtain best-value for money. For instance, the Representation:

- Established contracts in five cases without going through the tendering process and used ex-post facto notifications for their approval. Two of these contracts were used for extended periods. This was rectified in 2020 through a competitive process;
- Waived competitive bidding and extended a contract three times, increasing its value to \$109,602. However, the final extension without a waiver was not approved by the LCC which was not in compliance with the procurement rules; and
- Accepted a technically non-compliant offer citing the reason that it had already used the services of the vendor. It did not undertake a new solicitation process as required by the procurement rules.

39. When applying emergency procedures, the Representation did not ensure that: the vendors received the minimum recommended time to submit their quotations; and that the minimum number of five offers were received in all cases. The Representation stated that it received less offers as it was not well-known among local suppliers and had thus identified "lack of acceptance of UNHCR terms and conditions by suppliers" as a risk in its risk register. To mitigate these risks, it invested time in promoting UNHCR among local suppliers and launched an 'expression of interest' to increase the vendors in its database. It also advertised bids and used RFQs in local newspapers and vendor databases of other agencies to identify potential suppliers.

40. The above-mentioned weaknesses occurred as the Representation was relatively new and responding to an emergency in 2019 as well as the impact of COVID-19 in 2020. However, the Representation made significant improvement as OIOS did not identify any weaknesses in procurement samples for 2020. In addition, while the audit was ongoing the Representation expanded its vendor database and provided evidence showing that a sufficient number of quotations were being obtained for procurement done in 2021.

#### **IV. ACKNOWLEDGEMENT**

41. 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 Peru for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>2</sup> / Important <sup>3</sup>	C/ O <sup>4</sup>	Actions needed to close recommendation	Implementation date <sup>5</sup>
1	The UNHCR Representation in Peru should ensure that it has up to date and accurate information for programming its assistance by (i) supporting the Government partner's verification of refugee data before its migration into the new system; (ii) entering into a formal agreement with the Government partner to facilitate the sharing of data; and (iii) facilitating the identification of persons with special needs during registration.	Important	O	Submission to OIOS of: (i) evidence of completion of the verification of the remaining asylum seeker data; (ii) progress made in revising and finalizing the data sharing agreement; and (iii) evidence of migration of previous registration data and the progress made in collecting special needs data for this caseload.	31 May 2022
2	The UNHCR Representation in Peru should develop an action plan jointly with the Government partner to address the registration and RSD backlog in a timely manner.	Important	C	Closed based on action taken.	31 October 2021
3	The UNHCR Representation in Peru should (i) increase capacity of collective shelters in coordination with shelter partners, to accommodate the high numbers of persons in need of transit accommodation; and (ii) issue relevant guidance to collective shelters to provide quality services to persons of concern in accordance with minimum UNHCR standards and Peruvian regulations; and (ii) issue relevant guidance to ensure collective shelters provide quality services to persons of concern in accordance with minimum UNHCR standards and Peruvian regulations.	Important	O	Submission to OIOS of: (i) scaled-up transit accommodation capacity among shelter partners; and (ii) issued guidance to service providers to ensure that quality services are provided to PoCs and that collective shelters comply with UNHCR standards and Peruvian regulations.	31 March 2022
4	The UNHCR Representation in Peru should strengthen its monitoring of partners by adopting a	Important	O	Submission to OIOS of: (i) the revised project monitoring plans based on the re-evaluated	31 March 2022

<sup>2</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization

<sup>3</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization

<sup>4</sup> Please note the value C denotes closed recommendations whereas O refers to open recommendations

<sup>5</sup> Date provided by UNHCR in response to recommendations

## STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical <sup>2</sup> / Important <sup>3</sup>	C/ O <sup>4</sup>	Actions needed to close recommendation	Implementation date <sup>5</sup>
	risk-based approach and train local partners on processes to follow to get value-added tax refunds.			partner risks; and (ii) evidence of the capacity building activities undertaken for partners eligible to apply for VAT reimbursement.	
5	The UNHCR Representation in Peru should review and where necessary address capacity gaps to ensure that its transition to direct implementation of the cash-based interventions programme does not impact its effectiveness.	Important	O	Submission to OIOS of evidence of the transition to direct implementation of CBI and enhanced staff capacity to support the increased workload.	31 March 2022
6	The UNHCR Representation in Peru, should, in developing its 2022-2024 livelihoods strategy, scale up its interventions to ensure greater coverage of identified needs among persons of concern.	Important	O	Submission to OIOS of a strategy detailing how livelihood interventions will be scaled up.	31 March 2022

# **APPENDIX I**

## **Management Response**

## Management Response

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

Rec. no.	Recommendation	Critical <sup>6</sup> / Important <sup>7</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Peru should ensure that it has up to date and accurate information for programming its assistance by (i) supporting the Government partner's verification of refugee data before its migration into the new system; (ii) entering into a formal agreement with the Government partner to facilitate the sharing of data; and (iii) facilitating the identification of persons with special needs during migration of previous registration data.	Important	Yes	Protection Officer	31 May 2022	<p>The Representation is accepting this recommendation, nevertheless we are asking part (iii) to be considered closed by now, based on the below text/explanation and new annex (GUIA ACTUALIZACION DATOS SOLICITANTES Oct.2021 - attached) on top of Annexes 1 and 6.</p> <p>(i) In addition to the efforts that have been made so far by the Representation to enhance the quality of the asylum seeker data in Peru, it has agreed with the Government partner on an action plan in the form of terms of reference (ToRs) for the verification of the remaining asylum seeker data. The ToRs indicate the delivery timeframes for each product. The ToRs for 2020 (<i>Annex 1</i>) and 2021 (<i>Annex 2</i>) are provided as additional documentary evidence to this document. The Representation considers that this recommendation is partially in place. Implementation dates for ToRs 2021 have been postponed to reflect Government Partner's capacity (<i>Annex 3</i>).</p>

<sup>6</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>7</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.



Rec. no.	Recommendation	Critical <sup>6</sup> / Important <sup>7</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>(ii) A draft Data Sharing Agreement (DSA) has been discussed, developed and shared with the Government Partner in June 2021. Relevant minutes and the draft DSA are submitted again (please refer to Annexes 4 and 5). No feedback has been received by the Government Partner, but the Representation's Regional Office and its HQs have suggested several changes. These will be incorporated, and the document will be shared again with the Government Partner. As stated in the past, it is highly uncertain, and it is beyond the Representation's control that the Government Partner will sign such an agreement.</p> <p>(iii) As said above, in the introduction, we accept point sub. iii, nevertheless we are asking to consider it closed, as all data has been migrated to the new registration system. The verification of the remaining asylum seekers data refers also to collection of specific needs of persons of concern whose data have been migrated to this new system. As part of the Plan of Action with CEPR, the verification exercise has already started. Thus, the registration software has been specifically designed to enable the registration of information on vulnerabilities which, in addition, lead to automatic</p>

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						prioritization for RSD. (see also GUIA ACTUALIZACION DATOS SOLICITANTES Oct.2021 – attached)
2	The UNHCR Representation in Peru should develop an action plan jointly with the Government partner to address the registration and RSD backlog in a timely manner.	Important	Yes	Protection Officer	Completed- October 2021	<p>The Representation, together with its Government counterpart, has already developed an action plan to address the registration and RSD backlog. Therefore, the Representation considers that this recommendation is fully implemented and should be removed.</p> <p>The plan is attached as Annex 7 and the minutes of the meeting that took place on 7 October 2021 where it was discussed are attached as Annex 8. The Power Point Presentation used at the mentioned meeting it's attached as Annex 9. The backlog reduction plan, which incorporates the most recent developments with the implementation of the humanitarian residency permit for asylum seekers since 16 June 2021, has to be read in conjunction with three main other documents two of which were already shared with the auditors previously: Annex 10 which proposes concrete strategies to maintain and increase RSD decision making, Annex 11 which contains the 2021 Terms of Reference for further enhancement of the Government Partner's database with direct, positive outcomes for registration and Annex 12, a document developed by the Government Partner in September to</p>

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						<p>reorganize registration and RSD internally with a view to increasing efficiencies.</p> <p>Taking into account that the successful implementation of the humanitarian residency is also directly related to the backlog reduction in the asylum system, the Representation is also attaching Annex 13 which reflects the Terms of Reference (ToRs) for the development of a system that will ensure more efficient processes for the issuance and renewal of the humanitarian residency permit by the Ministry of Foreign Affairs.</p>
3	<p>The UNHCR Representation in Peru should (i) increase capacity of collective shelters in coordination with shelter partners, to accommodate the high numbers of persons in need of transit accommodation; and (ii) issue relevant guidance to collective shelters to provide quality services to persons of concern in accordance with minimum UNHCR standards and Peruvian regulations; and (ii) issue relevant guidance to ensure collective shelters provide quality services to persons of concern in accordance with minimum UNHCR standards and Peruvian regulations.</p>	Important	Yes	Shelter Associate and Community Based Protection Officers	31 March 2022	<p>(i) The Representation has increased more shelters within its network: a mapping has been updated including 18 shelters nationwide where the accommodation capacity has increased by 15 per cent in Lima and 10 per cent in Tacna.</p> <p>The Representation is currently implementing three projects for infrastructure upgrading and basic equipment in shelters located in Lima, Tacna and Zepita-Puno, that will be fully implemented by February 2022.</p> <p>The Representation has authorized a new intervention to scale-up its accommodation capacity in Trujillo: a mission will take place in January</p>

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						<p>2022 to gather information and assess infrastructure and equipment needs.</p> <p>(ii) The Representation is working on a shelter strategy, including a SGBV SOP, a case management guideline and an exit strategy, that will be completed by December 2021. Also, shelter coordinators have been trained in CCCM and protection once this year; a second training will be organized by November 2021, that will include minimum habitability standards and Peruvian regulations. As a result of this training, shelter coordinators, partners and the Representation will elaborate an action plan to progressively integrate these standards and by November 2021, the Representation will implement a well-being and basic needs questionnaire.</p>
4	The UNHCR Representation in Peru should strengthen its monitoring of partners by adopting a risk-based approach and train local partners on processes to follow to get value-added tax refunds.	Important	Yes	Snr. Programme Officer	31 March 2022	<p>The Representation will finish the review of the PMC-01: Project Performance Monitoring Plans (PMP) that demonstrate the re-evaluation of all each partner risks. The Representation will organize capacity development activities for partners eligible to apply for VAT reimbursement, including exchange of best practices applied by international partners.</p>
5	The UNHCR Representation in Peru should review and where necessary address capacity gaps to ensure that its transition to direct implementation of the cash-based	Important	Partially accepted	Programme CBI Officer	31 March 2022	

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	interventions programme does not impact its effectiveness.					<p>Understanding that capacity gaps refer to the adequacy of the staff component required to successfully implement CBI Programme through direct implementation establishing proper management and oversight of the CBI programme to ensure its effectiveness, the Representation is accepting this recommendation.</p> <p>It is important to highlight that the Representation has steadily advanced in its transition to direct implementation of CBI, following the steps set out in the Roadmap for Procurement of Financial Service Providers (FSP) for CBI. In parallel, SOP's development is also underway and once finalized must be cleared by HQs. One of the mandatory annexes to the SOPs is a Standard MSRP Delegation of Authority Plan (DOAP). This DOAP, which outlines roles not only for CBI staff but also other key staff such as Admin/Finance and Programme, will allow the Representation to identify any other possible staffing capacity gaps (if it is the reference made) and address them as necessary.</p> <p>Regularization of the CBI Associate post has already been approved for 2022 and its under recruitment; furthermore, the Senior Finance Associate position has been regularized and a Senior Finance</p>

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						Assistant has been also recruited, meaning the capacity of the Admin/Finance Unit will be enhanced. In addition, the Programme Unit capacity has also been increased; at the time of the audit the unit consisted of four staff (Associate Programme Officer, two Programme Associates and one Senior Programme Assistant), which have since been enhanced by two additional Senior Programme Assistants. Furthermore, the Operation counts already with a Programme CBI Officer.
6	The UNHCR Representation in Peru, should, in developing its livelihoods strategy, scale up its interventions to ensure greater coverage of identified needs among persons of concern.	Important	Yes (accepted) if the evidence requested is a livelihood strategy up to 12/2022. Partially accepted, if the evidence requested is a livelihood strategy up to 2024.	Livelihoods & Economic Inclusion Officer	31 March 2022	The Representation has already developed an outline for its Livelihoods strategy 2021-2022 which will be fully finalized latest by March 2022.