



INTERNAL AUDIT DIVISION

REPORT 2025/074

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

The Representation needed to reinforce its capacity and significantly improve the planning, management and monitoring of its programmes

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Audit of operations in Chad 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 Chad 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 forcibly displaced persons in an efficient and cost-effective manner and in line with UNHCR's policy requirements. The audit covered the period from 1 January 2023 to 31 December 2024 and included (a) strategic and operational planning; (b) programme effectiveness and efficiency; (c) management of programmes; and (d) structure and staffing.

The UNHCR Representation in Chad operated in an environment with multiple emergencies. Since the Sudan emergency began in April 2023, it scaled up its response to deliver services to refugees, but this was not fully efficient or cost-effective. The Representation needed to improve planning, coordination, and monitoring of programme delivery, particularly for shelter, WASH (Water, Sanitation and Hygiene), and Non-Food-Item (NFI) distributions. OIOS also observed persistent control gaps in partnership and fleet management.

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

- Reinforce its strategic planning, including a plan to engage stakeholders to ensure the limited resources address forcibly displaced persons' priorities and operational planning.
- Strengthen its emergency planning and coordination processes to respond to influxes in a timely and cost-effective manner.
- Institute measures to strengthen the quality of programme delivery, notably the shelters and water, sanitation and hygiene programmes.
- Address identified inefficiencies in programme implementation, notably in the shelter and WASH programmes and transition from NFI to Cash based Intervention as a modality of service delivery.
- Take measures to enhance its budgeting framework, handling of cash and management of operational advances and strengthen procurement and contracts management.
- Strengthen its management of NFIs.
- Rationalize its vehicle fleet size, strengthen related data collection for decision making and address identified inefficiencies in fleet maintenance arrangements.
- Reinforce its controls over fuel management and follow up identified anomalies and where necessary recover lost funds.
- Review the capacity of its structure and staffing to deliver its mandate in an efficient and cost-effective manner and reinforce its oversight function so that key risks are addressed and accountability reinforced.

UNHCR accepted all recommendations, implemented two recommendations and has initiated action to implement others. Actions required to close the remaining recommendations are indicated in Annex I.

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Audit of operations in Chad 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 Chad for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. The Government of Chad is party to international conventions on refugees and has enacted a Refugee law in 2020 and its implementing decree in 2023. The Government's pledges at the Global Refugee Forum in 2019 and 2023 included the inclusion of refugees in national education and health systems, economic inclusion and access to private sector, and provision of identity cards to refugees.

3. As of 31 December 2024, Chad was home to 1,286,651 refugees and asylum-seekers, the majority of whom were from Sudan (1,047,768), Central African Republic (143,475), Nigeria (22,379), and Cameroon (11,078). The conflict in Sudan, from April 2023, resulted in an influx of 723,951 persons resulting in the outnumbering of the host population. The Representation constructed new settlements and expanded existing ones with some 19 settlements in operation at the time of the audit.

4. To achieve its mission in Chad, the Representation's strategic priorities were to: (i) meet the urgent needs of new arrivals; (ii) strengthen the implementation of the asylum law; (iii) strengthen advocacy for the socio-economic inclusion of forcibly displaced persons; (iv) foster durable solutions; and (v) recognize the importance of development interventions in ensuring the sustainability of UNHCR's work and the peaceful coexistence between forcibly displaced and host populations.

5. The Representation was headed by a Representative at the D-2 level and reported to the Director of the Regional Bureau for West and Central Africa. It had 366 regular staff posts, 36 affiliated workforce and 70 temporary positions. The Representation had its country office in N'Djamena and three sub offices in Abeche, Gore and Baga Sola. Three additional sub offices were established from 1 January 2025 in Farchana, Goz Beida and Iriba. The Representation also had nine field offices and two field units.

6. Table 1 below shows the Representation's programme budget, two thirds of which was implemented by 15 funded partners.

Table 1: Representation's expenditures for 2023 and 2024

Category	2023 (\$ millions)	2024 (\$ millions)
Operations	115	111
Administrative	13	19
Staff	27	34
Total expenditure	155	164

7. UNHCR relies on its corporate systems for managing its operations. These systems include: (a) Workday for human resources; (b) COMPASS, for strategic planning, budgeting, monitoring, and reporting; (c) Managing for Systems, Resources and People (MSRP) and Cloud ERP, for financial reporting and supply chain management; and (d) ProGres, UNHCR's corporate registration, identity and case management system. OIOS obtained and reviewed data from these systems for completeness and accuracy and assessed the effectiveness of controls.

8. Comments provided by UNHCR are incorporated in italics

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

9. The objective of the audit was to assess whether the Representation was managing the delivery of services to forcibly displaced persons in an efficient and cost-effective manner and in line with UNHCR's policy requirements.

10. This audit was included in the 2024 risk-based work plan of OIOS due to the risks associated with managing an operation in an operational context characterized by a major emergency.

11. OIOS conducted this audit from February to April 2025. The audit covered the period from 1 January 2023 to 31 December 2024. Based on an activity-level risk assessment, the audit covered higher risk areas in the operation, which included: (a) strategic and operational planning; (b) programme effectiveness and efficiency; (c) management of programmes; and (d) structure and staffing. Through the review of above-mentioned areas, OIOS also covered management of funded partnerships, which is reported in a separate report.

12. The audit methodology included: (a) interviews with key personnel, (b) review of relevant documentation, (c) assessment of the client's data management systems, including COMPASS, Workday, Cloud ERP, PROMS and ProGres, (d) analytical review of data in those systems relevant for the areas reviewed, (e) sample testing of controls, (f) visits to the Representation's Country Office in N'Djamena, Sub-Offices in Abeche, Farchana and Iriba, and four partners implementing UNHCR projects, and (f) observation of programme activities implemented in the settlements of Arkoum, Farchana, Dougui, Aboutengue, Iridimi, Mile and Koursigue.

13. To assess the reliability of data pertaining to the operations in Chad, OIOS assessed the reliability of data related to the operations by: (a) reviewing existing information about the data in COMPASS, MSRP, Cloud ERP, PROMS, and Workday; and (b) interviewing UNHCR personnel knowledgeable about the data. In addition, OIOS traced a random sample of data to source documents both from UNHCR and implementing partner records. Based on the assessment, OIOS determined that the data were sufficiently reliable for purposes of addressing audit objectives, except where indicated in this report.

14. The audit was conducted in accordance with the Global Internal Audit Standards.

III. AUDIT RESULTS

A. Strategic and operational planning

Programme effectiveness was impacted by gaps in the Representation's strategic and operational planning

(a) Gaps in the Representation's strategic planning

15. The Representation's multi-year strategy (2022-2024) was not comprehensive, which limited its effectiveness in prioritizing the increasing needs considering its limited resources. For instance, the strategy was not updated to reflect the impact that the influx of 723,951 refugees from 2023 had on its programmes. It also did not reflect the contributions of other key stakeholders such as the life-saving assistance provided to 230,000 refugees in Adre by other operational partners. Moreover, the Representation did not have work plans reflecting how the strategy would be operationalized.

16. As part of the Humanitarian-Development Nexus¹, the Government committed to integrate 50 per cent of health clinics and schools in the refugee settlements into national systems by 2027. However, this commitment was not reflected in the Representation's strategy, nor was its viability assessed given the Government's limited capacity and previous failed attempts. Consequently, in the interim, UNHCR continued to fund health and education services to the annual amount of \$16.5 million.

(b) Gaps in operational planning

17. The Representation lacked proper operational plans to ensure that programmes are delivered timely, efficiently and in a cost-effective manner, as below:

Shelter planning

18. The Representation had an outdated shelter strategy which did not reflect the 2023/24 emergency needs, thereby making it largely irrelevant to direct its \$67 million spent (30 per cent of the programme budget for operation). It overestimated shelter requirements, planning 110,000 shelters for 250,000 refugees instead of the 60,000 that were needed. The Representation spent 94 per cent of its shelter budget on 73,728 emergency shelters and 3,617 refugee housing units but showed limited consideration of providing sustainable shelter solutions to refugees.

19. The Representation's failure to consider the results of an environmental impact assessment resulted in floods destroying 945 shelters in Farchana. These had to be rehabilitated at an additional cost of \$250,000. Additionally, the construction of shelters using grass and very close to each other not only resulted in a fire in Aboutengue that destroyed 160 shelters worth \$112,000 but also posed risk to the lives and property of the refugees. OIOS noted in its visit to seven refugee settlements that no corrective actions had been undertaken, leaving shelters exposed to the same risks.

Water, Sanitation and Hygiene infrastructure

20. The Representation spent \$26.1 million on Water, Sanitation and Hygiene (WASH) infrastructure, including 58 boreholes, 19 storage reservoirs, and 65,693 meters of water pipes. However, due to poor planning, the Representation constructed 4,525 shelters in Dougui, Aboutengue, and Arkoum in 2024 without latrines. This resulted in refugees practicing open defecation, which increased the risk of hygiene-related diseases. Additionally, gaps in the Representation's planning were evident in its drilling of two boreholes in addition to the 14 already installed by other operating partners in Dougui camp when refugees in the neighboring Arkoum and Alacha camps did not have access to clean water due to a shortage of boreholes.

Planning for construction projects of the Representation

21. The Representation did not have a comprehensive plan to guide procurements. For instance, only \$1 million of the \$3.9 million construction projects the Representation implemented directly during the audit period was planned in advance. Consequently, most projects were executed at the end of the year, with the procurements conducted in an ad hoc manner. For example, 13 projects totaling \$2.4 million commenced at the end of 2024 and none of them were completed by the liquidation date, i.e., 31 January 2025. This indicated that the projects were only considered to utilize surplus available funds at the year end. Additionally, scope changes after contract award reflected weak planning; for example, in Gore, the

¹ The Humanitarian-Development Nexus called for increased collaboration between organizations working in short term humanitarian aid and long term international development

perimeter wall length was reduced while plumbing was expanded to include tiling, raising costs from \$8,217 to \$12,809.

(1) The UNHCR Representation in Chad should ensure its limited resources address forcibly displaced persons' priorities, through: (a) strengthening its strategic planning, including enhanced collaboration with the stakeholders; and (b) effective operational planning, for the shelter and WASH projects.

UNHCR accepted recommendation 1 and stated that: (a) The Representation has developed a comprehensive roadmap and multi-year strategy framework in collaboration with key government ministries to operationalize pledges made at the Global Refugee Forum. (b) The shelter and WASH strategies have been updated and aligned with the new multi-year strategic framework to ensure operational coherence and enhanced programme delivery quality.

Emergency response was impacted by inadequate planning and coordination

22. UNHCR declared a Level 2 emergency for Chad on 17 May 2023 in response to an influx of 723,951 refugees from Sudan by December 2024. This was changed to Level 3 on 6 July 2023 with the emergency renewed on 25 April 2024 for another nine months. At the borders, it provided only pre-registration and limited life-saving assistance through partners. Refugees were then relocated from insecure border areas to the settlements where they were registered in proGres and provided with shelter, food, NFIs, education, and health care.

23. The Representation's contingency plans were not updated at the time of the crisis. Moreover, while emergency coordination meetings were regularly held, their focus was on information sharing with limited mechanisms in resolving identified issues. This impacted the effectiveness of its response as below:

- Some 294,594 refugees were still residing at the border by the end of 2024, without access to basic needs that could only be provided once they were relocated to the settlements. The Representation noted that \$120 million and additional land areas were required to relocate all these refugees.
- There was a registration backlog of 15,407 newly relocated refugees to Koursigue and Dougui settlements from September 2024.
- Some 1,600 relocated refugees who lacked shelters in Koursigue were exposed to protection risks while there were shelters available in Dougui. Refugees that were relocated to Dougui and Koursigue had also not been provided with food or NFIs at the time of the audit.

24. The issues above were attributed to the Representation's inadequate capacity to plan and respond to emergencies.

(2) The UNHCR Representation in Chad should strengthen its emergency planning and coordination processes to respond to influxes in a timely and cost-effective manner.

UNHCR accepted recommendation 2 and stated that measures have been implemented to strengthen emergency preparedness, with enhanced coordination mechanisms now firmly established.

B. Programme effectiveness and efficiency

Gaps in the Representation's delivery of key programme areas impacted on their effectiveness in meeting displaced persons' needs

(a) Inadequate quality of constructed shelters

25. The audit noted during its field visits that partners did not adhere to approved design standards and specifications thereby compromising the structural integrity of shelters as noted below:

- The partner in Arkoum built 403 shelters which were 15cm-25cm shorter than the approved dimensions of 3.5mx5m. Similarly, a partner used one instead of the recommended two bags of cement per shelter as per the bills of quantity (BOQ), resulting in an estimated loss of \$438,400 for the 21,920 shelters constructed in the period under audit. Another partner used 18 instead of the recommended 20 rafters and 15 instead of the 16 iron sheets per shelter specified in the design, resulting in an estimated loss of \$795,540.
- 1,900 shelters in the Koursigue refugee settlement did not have windows and were 15 cm shorter than the specified length in the BOQs. This resulted in an estimated \$60,000 loss. Further, some shelters were slanted because they were constructed on uneven terrain. Also, sharp nails protruding from walls posed safety hazards to refugees.

26. Further, there were delays of up to twelve months in delivery of 2,536 shelters totaling \$2.1 million in Arkoum, Dougui, Koursigue and Aboutengue, which deprived refugees of much-needed shelter. The audit also noted that some 200 shelters in Dougui remained unoccupied, while many refugees relocated to Arkoum in July 2023 had no shelters. The unoccupied shelters needed to be reallocated to prevent further wastage of resources.

(b) Gaps in the delivery of WASH services

27. The Representation invested \$10.4 million in water systems, resulting in 58 boreholes, 19 storage reservoirs, and 65,693 meters of water pipelines. Despite this, displaced persons only received 9 to 11 liters against the standard of 20 liters per person per day in Eastern Chad. This was attributed to, amongst other things, incomplete works in various camps. For example, a \$389,000 tank and well connection project at Mile settlement was incomplete at the time of audit, resulting in continued reliance on costly water trucking at \$400 per day.

28. Boreholes in Arkoum, Aboutengue, and Koursigue were not encased in concrete as required to safeguard them against floods and unauthorized access leading to loss of three boreholes of \$76,000 at Arkoum. Further, some of the constructed boreholes were not in use, which impacted the availability of water to displaced persons as follows:

- Four planned boreholes in Iridimi and Arkoum totaling \$107,000 were not completed. Additionally, eight boreholes remained unconnected to the network for four to nine months, and another eight in Arkoum, Koursigue, Dougui, and Aboutengue were non-operational.
- Two boreholes drilled at \$85,000 in Arkoum had been abandoned due to its 4.5 km distance from camps. Another \$22,000 manual hand pump that fell into a borehole remained unretrieved.
- Several solar water pumping systems costing \$180,000 at Farchana, Iridimi, and Mile were underutilized or nonfunctional due to faulty inverters, inadequate capacity, or delayed commissioning.

29. Latrine shortages, poor construction standards, and inadequate WASH supplies undermined refugee health in the camps. For instance:

- Despite 18,819 latrines and showers having been constructed, coverage was 24-40 persons per latrine - which was above the target of 20. This situation was exacerbated in 2024 when newly constructed shelters did not have latrines.
- The latrines in Koursigue, Arkoum, Iridimi, and Aboutengue were not used due to their having broken slabs and their lacking roofs, functional closures and lighting. This heightened protection risks especially for women and girls and compromised hygiene in the camps as evidenced by widespread open defecation in Arkoum, Mile, Aboutengue, and Dougui.
- Per the Knowledge, Attitudes, and Practices survey, half of the refugee population lacked essential WASH items such as jerricans and soap. These factors may have contributed to 129,796 WASH-related illness cases as well as 16 refugee deaths reported in 2024.

30. Additionally, less than 50 per cent of the 5,883 emergency latrines constructed at a cost of \$3.2 million were in use at the time of the audit, as many had filled up or were decommissioned. The rapid filling was due to insufficient depth (2 meters) relative to usage levels. The decision to increase the depth of the latrines to 2.5 meters was not implemented by funded partners. The Representation also did not explore alternatives to extend the life of latrines, such as bio-enzyme treatments or biogas conversion.

(3) The UNHCR Representation in Chad should institute measures to strengthen the quality of programme delivery, notably the shelters and water, sanitation and hygiene programmes.

UNHCR accepted recommendation 3 and stated that measures taken include: Implementation of shelters through a Cash-Based Intervention, or locally contracted construction companies. The Representation has updated its standard operating procedures regarding water trucking operations. Additionally, alternatives to extend the life of latrines e.g. bio-enzyme treatments have been introduced.

Inefficiencies impacted programmes' ability to reach more people

(a) High cost of constructing shelters

31. The average cost per emergency shelter for a family of four refugees, i.e., \$956, exceeded the \$750 estimated in the BOQs. This resulted in the construction of 73,728 instead of 91,304 or an over-expenditure of \$12 million. The higher construction cost was attributed to the following gaps in the shelter design and delivery:

- A 1,200-shelter pilot commissioned by the Representation noted that it was 30 per cent cheaper to use cash assistance than constructing shelters using partners. However, the Representation maintained its strategy favoring construction.
- Partners did not use locally available materials such as mud bricks, which could have improved durability and reduced costs by \$330 (50 per cent) per shelter. The Representation also excluded refugees from shelter construction, citing urgency in relocations, but did not engage them even in non-emergency areas such as Bagasola and N'Djamena, effectively increasing the labor and material costs.
- Failure to follow proper procurement processes resulted in costly transportation of shelter materials. For instance, a partner paid \$3,000 per truck instead of the market rate of \$600, which resulted in a loss of \$9,600 for delivering Refugee Housing Units from Abeche to Arkoum.

- Low-quality locally purchased tarpaulins for 1,200 shelters required replacement within six months in Arkoum, resulting in an extra cost of \$180,000.

(b) Inefficiencies in the delivery of WASH programme

32. OIOS observed several instances of inefficient delivery of WASH programme as noted below:

- The Representation’s costs for drilling boreholes, i.e., \$25,000 were more than double the World Bank’s reported average in the Sahel. There were also unexplained variances in borehole drilling costs across partners and regions. For example, in Farchana, two WASH partners’ boreholes drilling cost differed by \$3,000, and costs in Wadi Fira were \$5,000 higher than in Ouaddai.
- The Representation did not optimize the use of solar energy, with only 2 of 20 sites fully solarized. This was despite hybrid sites costing \$33,600 annually, which was more cost-effective than generator-only ones that cost \$57,600. It also incurred \$1 million annually on fuel. Further, a solarized site in Farchana continued to use generators as a source of energy.
- A couple of generators meant for pumping water were not in use. A new generator costing \$60,000 had been abandoned in Arkoum. Further, two non-functioning generators in Mile had not been repaired by the logistics partner on site for six months.
- As a stopgap to failures in constructed water systems, the Representation resorted to costly contracted water trucking, spending \$1.2 million which was the equivalent to purchasing 10 trucks. Without an exit strategy, several locations remained dependent on this approach for prolonged periods.

(c) High costs for distributing NFIs

33. The Representation did not implement recommendations from the August 2023 and May 2024 assessments to prioritize cash-based interventions (CBIs) over non-food items (NFIs). This was not only inconsistent with UNHCR’s preferences but also more costly. For instance, the Representation incurred \$20.7 million in transportation, storage, and management costs for NFIs, which far exceeded the \$14.4 million value of NFIs distributed. Moreover, beneficiaries reportedly sold NFIs in local markets, highlighting their preference for CBIs.

(4) The UNHCR Representation in Chad should: (a) address identified inefficiencies in programme implementation, notably in the shelter and WASH programmes; and (b) consider transition from NFI to CBI as a modality of service delivery.

UNHCR accepted recommendation 4 and stated that corrective measures have been fully implemented to address programme inefficiencies. The Representation has taken decisive action to strengthen NFI distribution systems through the full deployment of the Global Distribution Tool (GDT) for all in-kind assistance distributions.

C. Management of programmes

Gaps in controls over the management of funds

(a) The Representation’s budgeting framework did not provide effective control for expenditure

34. The Representation grouped unrelated costs under a single category, which rendered it ineffective as a cost control measure. For instance, all directly implemented projects totaling \$26.7 million were budgeted under other operating expenses, which did not provide an effective basis for monitoring expenditures. Further, included under operational support were several unrelated budgets for fuel and fleet management, WASH, NFI warehousing, and refugee transportation totaling \$16.9 million, that should have been recorded in the relevant programme expenditures.

35. There was no adequate monitoring of expenditures against the budget. The audit identified outputs where the operating level budget exceeded the operating plan (needs-based budget) by \$11.3 million without appropriate explanation or justifications. Also, 15 outputs with expenditures totaling \$308,000 had no budget established.

(b) Gaps in controls over cash payments in field offices

36. Payments to the field offices in Chad were made in cash due to a lack of banking facilities in the field (except Abeche). The Representation had not established cash accounts for proper management of these cash payments but managed them through operational advances given to staff members. Identified gaps in the Representation's management of operational advances included the following:

- Operational advances given to staff were hand carried to field offices, which exposed them to the risk of misuse and created security risks for staff.
- At the time of the audit, outstanding advances totaled \$165,000 and this included amounts due from staff who had already left the operation.
- Additional advances were made without prior ones being accounted for.
- Accountability for 2023–24 advances were incorrectly charged to 2025 budgets.

(c) Weak controls over procurement and contract management

37. The Representation's Local Committee on Contracts was not operational during the emergency and thus, it relied on the Regional Committee on Contracts (RCC) to approve procurements above the \$250,000 threshold. A review of procurement processes for contractors revealed the following:

- Vendor solicitation did not attract sufficient qualified bidders, thereby limiting competition. This issue was compounded by the Representation's lack of an up-to-date roster of contractors.
- Bid specifications were inadequate; e.g., solar panel specifications lacked wattage, voltage, and efficiency, hindering objective evaluation. Technical evaluations were conducted by staff lacking expertise; in one case, bids were assessed based on assumptions.
- The Representation misrepresented information to the RCC by indicating that a \$420,000 office construction project had been approved, yet the technical committee had asked that it be retendered.
- RCC's conditional approval not to have a vendor run two concurrent projects was not implemented and this resulted in substandard work and failure to meet project timelines.

38. The Representation also did not enforce mandatory financial safeguards in signed contracts, exposing UNHCR to risks of loss. These risks were exacerbated by large advance payments being made without: (a) the required performance bonds; (b) verification of progress made in constructions in accordance with signed contracts; and (c) withholding of retention fees to ensure quality and completion. Furthermore, the Representation did not apply the contractual penalty clauses for delayed delivery.

(5) The UNHCR Representation in Chad should reinforce its fund management by: (a) enhancing the budgeting framework; (b) enhancing the controls over the handling of cash and recover pending operational advances from staff; and (c) strengthening procurement and contracts management in line with UNHCR guideline.

UNHCR accepted recommendation 5 and stated that (a) a comprehensive review of the budgeting framework had been done, (b) eighty per cent of outstanding operational advance amounts have accounted for and (c) contractual penalties as defined within the General Conditions of Contract will be rigorously enforced.

Poor record keeping impacted accountability for NFIs

39. The Representation had not established criteria to support the identification of beneficiaries and prioritization of persons during NFI distributions totaling \$14.4 million. The Representation also did not consistently record the NFIs distributed in the proGres, UNHCR's case management system, nor tracked in the Global Distribution Tool.

40. Further, the Representation did not maintain records to account for NFIs as below:

- The partner responsible for stocks and distributions did not maintain the mandatory NFI records such as stock cards, goods received notes, material service requests and beneficiary lists. The audit was only provided with two incomplete reports to support 13 issuances from the warehouses for distribution.
- There were unexplained discrepancies between verified year-end stock on hand and records. For instance, material discrepancies in 2024 were noted between stock and inventory records for blankets (\$157,742), solar lamps (\$22,000) and mosquito nets (\$23,105).
- The Representation lacked distribution and warehouse records for in-kind donations totaling \$11 million received between June and November 2024. Physical verification revealed that 113,451 bales of donated clothing stored in Farchana were not recorded in the Cloud ERP, and 50,501 bales reportedly issued to a logistics partner had no distribution records.

41. Furthermore, OIOS visited warehouses in Farchana, Iriba, Abeche, and N'Djamena and noted that items were placed on the floor thereby increasing their exposure to moisture and flooding. Items were also stacked beyond the recommended limit and with insufficient aisle spacing. This not only damaged the packaging of items but also presented challenges during stock counts.

(6) The UNHCR Representation in Chad should strengthen its management of the receipt, storage and distribution of NFIs.

UNHCR accepted recommendation 6 and stated that a comprehensive revision and update of NFI management standard operating procedures has been done. Documentation requirements have been strengthened to ensure a complete audit trail throughout the NFI lifecycle. The Representation confirms that no inventory losses occurred, and all discrepancies were system-generated and fictitious.

The fleet management was inadequate

42. In addition to the 15 trucks, 5 forklifts and 44 motorcycles owned by the Representation, it: (i) leased 326 vehicles under UNHCR's global rental agreement at a cost of \$4.6 million; (ii) rented 96 light

vehicles for \$398,835; and (iii) rented trucks totaling \$8 million during the emergency. Inefficiencies identified in the Representation's management of its vehicle fleet included the following:

43. **Planning** - Despite a fleet-sizing exercise indicating that it needed only 298 light vehicles, the Representation was holding 341 vehicles by October 2024. Further, available data showed that these vehicles had a utilization rate of 72 percent against a 90 percent target. In addition to the 96 rented vehicles, the Representation rented 122 other cars for \$727,320 to cover delays in leasing, clearing, and registering vehicles in 2022. However, available data showed that the rented vehicles were idle for some 26,000 hours, resulting in an estimated inefficiency of \$143,000. The Representation purchased motorbikes and generators valued at \$354,276 and \$1.1 million, respectively, to support its operations. However, the audit noted gaps in their management and use, with motorbikes distributed without proper oversight and generators procured without cost-benefit analysis. The audit noted that the generators were either unused, exposed to the elements, or in disrepair.

44. **Procurement** - The Representation did not enforce procurement practices, which limited its ability to achieve best value. For instance, only 3 of the 6 trucks purchased for \$661,767 were delivered, with no documentation on file explaining the shortfall. Even then the delivery of the three trucks was delayed by six months due to extensions granted to the vendor. The procurement process was non-transparent, with: (a) bids sought from two vendors but evaluations being conducted for four; and (b) evaluation criteria disregarded with new criteria arbitrarily introduced. Additionally, motorbikes costing \$197,000 were procured without following proper procurement procedures and donated to local authorities without instituting measures to ensure their proper use. Further, the purchase order for transportation services totaling \$725,514 lacked details, e.g., number of trips against which performance would be measured. Payments were also made without adequate supporting documentation, e.g., one totaling \$365,028 executed without a purchase order and details of the activity and another of \$65,172 made without supporting documentation.

45. **Maintenance** - The Representation spent \$4.8 million on repairs through its logistics partner rather than using official dealers, exposing operations to poor service quality, warranty loss, and inflated costs, while also leaving FleetWave data incomplete. Spare parts totaling \$740,254 were largely procured from non-Toyota dealers. This resulted in excessive costs, delays in repairs with vehicles grounded for up to four months and compromised quality of spare parts. At the time of the audit, \$189,600 was tied up in obsolete spare parts.

46. **Monitoring of use** - Vehicle monitoring and safety controls were also inadequate. Trackers were missing on heavy vehicles, 100 light vehicles (30 percent) showed data gaps, and 16 vehicles were untracked, leading to \$28,665 in non-transmission charges and limited oversight. Weak controls exposed assets to: (a) theft with two vehicles valued at \$39,372 reported as stolen; and (b) poor enforcement of safety measures resulting in 53 accidents. A total of 338 vehicles were due for disposal in 2023 and 2024 but delays in approvals and actions resulted in 15 trucks lying idle and cannibalized for parts, with 19 others unsold pending local authority approval. These delays led to surcharges of \$41,200 from Global Fleet Management, continued rental costs for replacement vehicles and loss of proceeds from the sale of vehicles

(7) The UNHCR Representation in Chad should strengthen its fleet management by: (a) rationalizing its vehicle fleet size; (b) addressing the identified inefficiencies in fleet maintenance arrangements; and (c) addressing gaps in collecting and analyzing data for decision-making.

UNHCR accepted recommendation 7 and stated that (a) the vehicle fleet has been rationalized to align precisely with operational and emergency requirements. (b) A cost-benefit analysis has been conducted

and enhanced the use of authorized service providers. (c) A dedicated country-level fleet focal point has been appointed with clear responsibilities and authority for fleet oversight and coordination.

Inadequate controls over fuel

47. The Representation spent \$8.8 million on fuel for vehicles and generators in the period under audit. A review of the procurement and management of fuel noted the following:

- Fuel totaling \$214,107 was procured via Request for Quotation instead of the required Invitation to Bid. Further, a \$5.6 million framework agreement was implemented without fulfilling RCC preconditions regarding the issuance of a standard operating procedure for secondary bidding.
- The Representation evaluated three financial bids despite having received one bid for a contract totaling \$52,464. On the contrary, the Representation disqualified a bidder without proper justification and re-engaged another for a \$54,229 contract despite them having underperformed on a previous contract.
- The Representation had a discrepancy between fuel received and payments totaling \$154,607 in 2024. It also paid \$100,983 for two fuel deliveries yet only one delivery totaling \$50,491 was made.

48. Although the related recommendations from the 2019 OIOS audit (Report 2019-103) were closed based on documentary evidence that the issues had been resolved, the current audit noted that the controls were not sustained. For instance: (a) set fuel quotas were exceeded without proper justification; (b) fuel card usage showed irregularities totaling \$19,407 and unauthorized transactions totaling \$6,461; (c) fuel consumption monitoring was weak with anomalies not being investigated; and (d) fuel was still stored in uncalibrated tanks thereby compromising measurement accuracy. Additionally, there was a 1,231-liter discrepancy between physical stock and records in January 2025.

(8) The UNHCR Representation in Chad should: (a) reinforce its controls over fuel procurement and management; and (b) follow up identified anomalies and where necessary recover funds lost.

UNHCR accepted recommendation 8 and stated that (a) comprehensive updates and strengthening of fuel procurement standard operating procedures have been completed with a dedicated fleet focal point who has been appointed with clear fuel management responsibilities. (b) Monthly reviews of fuel consumption data are conducted to identify deviations from expected consumption patterns.

D. Structure and staffing

The structure and staffing were not fully effective

49. During the emergency in the East, the Representation expanded its structure by creating three sub-offices (January 2025) without delegating authority, thereby leaving core functions centralized in N'Djamena and undermining decentralization. A coordination office in Abeche, led by the Deputy Representative Operations, also lacked defined roles and duplicated functions of Sub Office Farchana, creating inefficiencies and an unnecessary intermediary layer.

50. While the Representation had a relatively large staff component, it remained unable to implement programmes in a timely and cost-effective manner indicating gaps in staff capacity to execute duties in core functional areas. For example:

- There were only six technical staff covering WASH who were at the same time assisting with shelter activities. Further, three staff were responsible for planning, managing and monitoring shelter and construction activities in 16 refugee settlements.
- At the time of the audit, the Representation had only one Associate Fleet Management Officer, who coordinated the fleet management for the entire operation, supported by administration staff in Abeche, Gore and Bagasola whose limited qualifications and experience impacted the oversight they provided for fleet and fuel operations.
- The Representation also had an external consultant engaged through GFM to assist with data uploads for vehicle maintenance and fuel consumption in FleetWave, which impeded real-time tracking and accountability.

51. Frequent staff rotations and limited diversity among international staff undermined independence, internal controls, and staff well-being. Sixteen of 26 senior professional staff (P4 and above) rotated between different duty stations within Chad while 26 out of 119 (22 per cent) international professional staff were of the same nationality.

Risk management and oversight was not fully effective

52. The complex environment within which the Representation operated called for effective identification and mitigation of risks. The Representation’s risk management activities showed key deficiencies, as major risks such as emergency response inefficiencies and fraud in partnership management were neither properly identified nor mitigated, with some risks repeatedly carried over. Risk management was not cascaded to the operational level, and weaknesses flagged in the 2019 audit persisted.

53. The Representation received adequate support missions from the Bureau and Headquarters, which identified key weaknesses such as costly programme implementation, risky partnerships, and ineffective emergency response. However, the recommendations were not acted upon, and improvements were delayed for two years. This reflected weak management accountability. UNHCR also failed to review past accountability gaps in the Chad situation to prevent recurrence and mitigate risks to programme delivery.

(9) The UNHCR Regional Bureau for West and Central Africa should: (a) review the capacity of the Representation’s structure and staffing to deliver its mandate in an efficient and cost-effective manner; and (b) reinforce its oversight function so that key risks are addressed and accountability reinforced.

UNHCR accepted recommendation 9 and stated that implemented measures included the following: (a) The structure of the CO and the coordination model of the East was reviewed in detail. (b) The RB conducted an independent review of the Chad operation, focusing on root cause analysis of recurrent audit findings over recent years. RBWCA will develop a centralized monitoring tool to consolidate all recommendations issued by the Regional Bureau during missions to country operations

IV. ACKNOWLEDGEMENT

54. 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.

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	The UNHCR Representation in Chad should ensure its limited resources address forcibly displaced persons' priorities, through: (a) strengthening its strategic planning, including enhanced collaboration with the stakeholders; and (b) effective operational planning, for the shelter and WASH projects.	Important	O	(a) Closed (b) Receipt of a comprehensive shelter strategy indicating integration with WASH.	30 June 2026
2	The UNHCR Representation in Chad should strengthen its emergency planning and coordination processes to respond to influxes in a timely and cost-effective manner.	Important	C	N/A	Implemented
3	The UNHCR Representation in Chad should institute measures to strengthen the quality of programme delivery, notably shelters and WASH programmes.	Important	O	Receipt of evidence of: (a) Correction of defective shelters and completion of the ones that were incomplete; (b) Shelter quality monitoring plan (c) Updated shelter allocation database; and (d) water pumping solarization strategy and implementation.	30 September 2026
4	The UNHCR Representation in Chad should: (a) address identified inefficiencies in programme implementation, notably in the shelter and WASH programmes; and (b) consider transition from NFI to CBI as a modality of service delivery.	Important	O	Receipt of evidence of: (i) cost-benefit analysis to inform the most cost-effective modality of delivery; (ii) Water trucking exit strategy; and (iii) Generator monitoring and repair and maintenance plans. (b) Closed	30 September 2026
5	The UNHCR Representation in Chad should reinforce its fund management by: (a) enhancing the	Important	O	(a) Evidence of enhanced budgeting framework.	30 June 2026

² 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.

³ 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.

⁴ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁵ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	budgeting framework; (b) enhancing the controls over the handling of cash and recover pending operational advances from staff; and (c) strengthening procurement and contracts management in line with UNHCR guideline.			(b) Evidence of implementation of measures to prevent staff hand-carrying cash in high-risk security environment and establishment of cash accounts for proper accounting of cash payments in field offices. (c) Closed.	
6	The UNHCR Representation in Chad should strengthen its management of the receipt, storage and distribution of NFIs.	Important	O	Receipt of evidence of: (a) implementation of NFI procedures through stock and distribution records including reconciliations between ERP and physical inventory. (b) warehouse inspection or physical count reports; and (c) onsite monitoring and PDM reports confirming proper application of procedures and improved distribution outcomes.	30 September 2026
7	The UNHCR Representation in Chad should strengthen its fleet management by: (a) rationalizing its vehicle fleet size; (b) addressing the identified inefficiencies in fleet maintenance arrangements; and (c) addressing gaps in collecting and analyzing data for decision-making.	Important	O	Receipt of evidence of: (a) Rationalized fleet numbers; (b) reinforced maintenance processes; and (c) proper maintenance of FleetWave data.	30 June 2026
8	The UNHCR Representation in Chad should: (a) reinforce its controls over fuel procurement and management; and (b) follow up identified anomalies and where necessary recover funds lost.	Important	O	Receipt of evidence of: (a) implementation of fuel SOPs; (b) investigation of identified anomalies and corrective actions implemented; and (c) reconciliations between fuel delivered, invoices, and payments, with any discrepancies resolved.	31 December 2026
9	The UNHCR Regional Bureau for West and Central Africa should: (a) review the capacity of the Representation's structure and staffing to deliver its mandate in an efficient and cost-effective manner; and (b) reinforce its oversight function so that key risks are addressed and accountability reinforced.	Important	C	N/A	Implemented

APPENDIX I

Management Response

MANAGEMENT RESPONSE

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

Rec. no.	Recommendation	Critical/ ⁶ Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
1	The UNHCR Representation in Chad should ensure its limited resources address forcibly displaced persons' priorities, through: (a) strengthening its strategic planning, including enhanced collaboration with the stakeholders; and (b) effective operational planning, for the shelter and WASH projects.	Important	Yes	Assistant Representative Programme & Principal Situation Coordinator	30 June 2026	<p>The UNHCR Representation in Chad accepts this recommendation and confirms that significant strategic planning enhancements have been implemented, with operational planning improvements underway.</p> <p>Based on the steps taken and evidence available, we believe the recommendation can be closed.</p> <p><u>ACTIONS COMPLETED:</u></p> <p><i>(a) Strategic Planning & Stakeholder Collaboration:</i></p> <p>Government Engagement Roadmap: The Representation has developed a comprehensive roadmap in collaboration with key government ministries to operationalize pledges made at the Global Refugee Forum, building upon the 2020 cost action plan. This roadmap provides a structured framework for implementing the Government's commitments while leveraging UNHCR's technical expertise and international partnerships.</p>

⁶ 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.

⁷ 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 ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>Health Sector Integration: A Memorandum of Understanding has been signed with the Ministry of Health, with Article 6 specifically establishing a framework for the gradual integration of refugee health facilities into the national health system. Integration has been successfully completed for all health facilities in N'Djamena, with documented evidence available. Furthermore, a joint mission was conducted from 3-10 November 2025 in Ouadai Province with the Ministry of Health to evaluate the integration of refugees into the national health infrastructure, marking significant progress toward sustainable health service delivery.</p> <p>Education Strategy Revision: UNHCR organized a comprehensive workshop on 5-6 November 2025 in collaboration with the Ministry of National Education and Civic Promotion, UNICEF, and the World Bank. The workshop, opened by Minister Aboubakar Assidick Choroma, resulted in the presentation of a revised education strategy with an updated results framework and a basic costed implementation plan. This strategic revision addresses the gradual transfer of teachers from UNHCR and partner budgets to the government budget as a key objective, implementing action points from the INSPIRE workshop co-</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>organized with the World Bank in Zambia in May 2025.</p> <p>Multi-Year Strategy 2025-2028: The new multi-year strategy framework has been developed incorporating enhanced engagement with development actors, leveraging the UN Sustainable Development Cooperation Framework (UNSDCF), and acknowledging diverse stakeholder contributions. An annual review was conducted in April 2025 to address identified gaps, with a comprehensive 2026 results framework review scheduled. The focus has been placed on developing this forward-looking strategy rather than updating the concluded 2022-2024 strategy period.</p> <p>Inter-Ministerial Coordination: UNHCR Chad is utilizing the Inter-Ministerial Committee established on 27 October 2023 under the leadership of the Ministry of Foreign Affairs to monitor the implementation of Global Refugee Forum pledges through a whole-of-society approach. This committee serves as the primary coordination mechanism for engaging diverse stakeholders including government ministries, development partners, and civil society organizations.</p> <p>(b) Operational Planning - Shelter and WASH:</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						An annual programme review was conducted in April 2025 to address identified operational gaps, with a comprehensive 2026 results framework being implement in the last quarter of 2025. The shelter and WASH strategies have been updated and aligned with the new multi-year strategic framework to ensure operational coherence and enhanced programme delivery quality.
2	The UNHCR Representation in Chad should strengthen its emergency planning and coordination processes to respond to influxes in a timely and cost-effective manner.	Important	Yes	Assistant Representative Programme & Principal Situation Coordinator	30 September 2026	<p>The UNHCR Representation in Chad accepts this recommendation and confirms that comprehensive measures have been implemented to strengthen emergency preparedness, with enhanced coordination mechanisms now firmly established.</p> <p>Based on the steps taken and evidence available we believe that this recommendation can be closed</p> <p><u>ACTIONS COMPLETED:</u></p> <p><i>Emergency Preparedness Enhancement:</i></p> <p>The Representation has completed a comprehensive revision of its contingency plan for the eastern region, convening several coordination meetings with authorities and partners at both provincial and national levels. A capacity assessment has been conducted to identify gaps in staffing,</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>logistics, and partner support that are currently affecting the efficiency of refugee relocations. Based on the assessment findings, corrective measures are implemented to improve effectiveness, and resource requirements have been identified to mobilize further funding. The sixteen trucks previously ordered in 2024 have been delivered and are now operational for refugee relocation operations in eastern Chad.</p> <p>Coordination & Capacity Building: UNHCR, in collaboration with local authorities and implementing partners, is supporting participation in the eCentre for Africa training initiative aimed at enhancing emergency preparedness and response capacities of local actors. While indications suggest that funding will be available, it is hoped that additional participants from Chadian authorities and local NGOs will take part in the eCentre for Africa learning programme in 2026. The Representation continues to reinforce coordination with national authorities and inter-agency stakeholders through joint planning exercises, simulation activities, and regular operational reviews. Additionally, a regular risk analysis framework has been established to identify and manage emergency risks, with the operation continuously monitoring</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>these risks and regularly reviewing any potential, emerging, or escalating threats.</p> <p>Regional Coordination: In coordination with the Regional Bureau, the operation continues to regularly share information and analysis on emerging emergency situations with the Sudan operation and RBSEA to enhance understanding of the risks of potential refugee outflows. This proactive information-sharing mechanism strengthens early warning systems and enables coordinated preparedness across the region.</p>
3	The UNHCR Representation in Chad should institute measures to strengthen the quality of programme delivery, notably shelters and WASH programmes.	Important	Yes	Shelter / Wash Officer	30 September 2026	<p>The UNHCR Representation in Chad accepts this recommendation and confirms that comprehensive quality enhancement measures have been fully implemented across both shelter and WASH programmes.</p> <p>Based on the steps taken and evidence available we believe the recommendation can be closed</p> <p><u>ACTIONS COMPLETED:</u> SHELTER PROGRAMME QUALITY ENHANCEMENT: Technical Capacity & Planning: To strengthen and enhance planning capabilities, the UNHCR Chad operation has widely disseminated the</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>Master Plan approach and promoted the use of Autodesk tools, specifically AutoCAD, Civil 3D, and InfraWorks, across the entire Shelter & Infrastructure team. This initiative supports stronger ownership and the full integration of technical considerations into site planning, design, and development. UNHCR has made professional Autodesk licenses available to all Shelter & Infrastructure technicians, and capacity-building for the technical team has been completed to this end. The recruitment process for four Engineers (Shelter & Infrastructure Assistants), in addition to the five engineers already in post, has been finalized, increasing total engineering capacity from five to nine engineers. In the short term, this increase in staffing strengthens the implementation, monitoring, and quality control of works and supports local companies and refugees in the proper implementation of construction activities.</p> <p><i>Strategic Approach Optimization:</i> The operation has strategically adjusted its shelter construction approach to optimize both efficiency and cost-effectiveness. At the design level, priority is given to emergency shelters using plastic sheeting or, where appropriate, family tents, while the use of locally available materials</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>is encouraged for semi-durable shelters. Implementation is carried out either through a Cash-Based Interventions (CBI) modality with community participation, or through locally contracted construction companies selected via a competitive tender process. This approach promotes meaningful beneficiary engagement and helps reduce overall construction costs.</p> <p><i>Context-Appropriate Shelter Response:</i></p> <p>The operation acknowledges the recommendation to review implemented shelter projects for value assessment. However, it is important to note that the majority of shelters provided under this operation were emergency shelters designed as immediate, temporary solutions rather than permanent structures. These emergency shelters, constructed primarily using plastic sheeting and locally available materials, were intentionally designed to be transitional and are expected to be modified, upgraded, or replaced by beneficiaries themselves over time as they rebuild their lives. Given the temporary and transitional nature of most implemented shelters, conducting a comprehensive review of these projects presents significant challenges, as many structures will have undergone beneficiary-led</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>modifications or may no longer exist in their original form. Nevertheless, the operation has extracted lessons learned from available documentation and feedback mechanisms, particularly regarding cost-efficiency of different implementation modalities and beneficiary satisfaction with emergency shelter solutions.</p> <p>WASH PROGRAMME QUALITY ENHANCEMENT:</p> <p><i>Strategic Framework:</i></p> <p>The Representation has undertaken a comprehensive review of its 2025-2028 WASH Strategy to ensure alignment with cost-effective programme delivery approaches and enhanced operational efficiency. This strategic review encompasses all aspects of water, sanitation, and hygiene programming to strengthen delivery mechanisms and optimize resource utilization. The review emphasizes strengthening sector governance systems in refugee hosting areas, clearly defining the roles to be played by the Chadian government, development actors, and the community. In this way, the responsibility for the maintenance and upkeep of WASH facilities is being gradually transferred to communities through Water User Associations (AUE), ensuring</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>sustainable management and local ownership.</p> <p>Technical Optimization:</p> <p>A revision of the borehole design parameters has been carried out to reduce the cost of drilling. Instead of the standard 200 mm boreholes, UNHCR Chad now prioritizes 140 mm boreholes for flow rates below 10 m³ and 165 mm boreholes for flow rates above 10 m³. This optimization reduces the cost of boreholes from \$25,000 to \$15,000 for 140 mm boreholes and to \$22,000 for 165 mm boreholes, which will be less frequently constructed due to hydrogeological difficulties, especially in the eastern part of the country. The Representation has reviewed and updated its standard operating procedures regarding water trucking operations to reinforce controls and improve oversight of this critical component of the WASH programme. Additionally, alternatives to extend the life of latrines, including bio-enzyme treatments, have been introduced to enhance the sustainability of sanitation infrastructure.</p>
4	The UNHCR Representation in Chad should: (a) address identified inefficiencies in programme implementation, notably in the shelter and WASH programmes; and (b) transition from NFI to CBI as a modality of service delivery.	Important	Yes	Shelter / Wash Officer & Senior Programme Officer	30 September 2026	The UNHCR Representation in Chad accepts this recommendation and confirms that corrective measures have been fully implemented to address programme inefficiencies and establish robust CBI modality

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>frameworks. Based on the steps taken and evidence available, we believe recommendation can be closed</p> <p><u>ACTIONS COMPLETED:</u></p> <p><i>(a) Shelter & WASH Programme Efficiency Improvements:</i></p> <p>All actions detailed under Recommendation 3 apply directly to addressing identified inefficiencies, including the Master Plan approach dissemination, Autodesk tools deployment, staffing enhancement from five to nine engineers, revised construction strategy emphasizing cost-optimization, WASH strategy comprehensive review, borehole design optimization reducing costs from \$25,000 to \$15,000-\$22,000, and community ownership frameworks through Water User Associations. These measures systematically address and resolve the inefficiencies identified during the audit. Additionally, a comprehensive value-for-money assessment has been conducted, reviewing shelter and WASH interventions by comparing implementation modalities, cost structures, and outcome effectiveness. Best practices from this analysis have been integrated into standard operating procedures to ensure systematic application across all future interventions.</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p><i>(b) NFI to CBI Modality Transition:</i></p> <p><i>System Implementation:</i></p> <p>The Representation has taken decisive action to strengthen NFI distribution systems through the full deployment of the Global Distribution Tool (GDT) for all in-kind assistance distributions. This system mirrors the process model already established for Cash-Based Interventions (CBI), ensuring consistency in tracking, verification, and reporting across modalities. The GDT system enables real-time monitoring, improves traceability of distributed items from procurement through final distribution, and supports compliance with corporate standards and audit requirements. Comprehensive training has been completed for all implementing partners, with ongoing field-level support mechanisms in place to ensure effective adoption and utilization of the system.</p> <p><i>CBI Framework Strengthening:</i></p> <p>The standard operating procedures for CBI-based NFI distribution have been updated and operationalized, establishing enhanced documentation protocols that ensure a complete audit trail for all CBI transactions. The systematic collection and archival of distribution evidence, including beneficiary acknowledgments and biometric verification where</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>applicable, provides robust proof of distribution and strengthens accountability mechanisms throughout the distribution process.</p> <p><i>Inventory Management Resolution:</i> The Representation acknowledges discrepancies identified during the migration from MSRP software to CLOUD ERP, which occurred during the 2023 refugee influx period. This migration, combined with technical issues in the new CLOUD ERP system, prevented real-time synchronization between physical warehouse stock and electronic records. The Representation confirms the physical inventory, and all recorded discrepancies are reconciled. All cases have been submitted to the Headquarters Assets Management Board (HAMB) for adjustment and resolution of the discrepancies. The reconciliation process has been completed and approved, and CLOUD ERP technical issues have been resolved.</p>
5	The UNHCR Representation in Chad should reinforce its fund management by: (a) enhancing the budgeting framework; (b) enhancing the controls over the handling of cash and recover pending operational advances from staff; and (c) strengthening procurement and contracts management in line with UNHCR guideline.	Important	Yes	Senior Programme Officer & Senior Supply Officer	30 June 2026	The UNHCR Representation in Chad accepts this recommendation and confirms that comprehensive fund management reinforcement measures have been fully implemented across budgeting, cash management, and procurement domains. Based on the steps taken and evidence available we

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>believe parts a and b of the recommendation can be closed.</p> <p><u>ACTIONS COMPLETED:</u></p> <p><i>(a) Budgeting Framework Enhancement:</i></p> <p>The Representation has completed a comprehensive review and enhancement of its budgeting framework, ensuring a clear distinction between activity costs, Other Operating Expenses (OOE), and operational support budget categories. A systematic monitoring framework has been implemented to track expenditures against available budgets with regular variance analysis. Financial reporting protocols have been established to conduct regular expenditure trend analysis, identify variances, and implement corrective actions where necessary. As of 23 July 2025, budget consumption, expenditures, and implementation rates demonstrate significantly improved budget execution and monitoring, with detailed reports available for auditor review.</p> <p><i>(b) Cash Management & Operational Advances:</i></p> <p>The Representation has taken decisive action regarding operational advance management. Effective June 2025, operational advances are no</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>longer transferred directly to staff bank accounts, implementing enhanced control measures that significantly strengthen accountability. Current recovery status indicates that 80% of outstanding operational advance amounts have been successfully recovered as of 21 July 2025, with approximately \$38,000 remaining. A systematic payroll deduction system has been implemented, with over \$8,000 recovered in July 2025 alone through this mechanism. Technical recording challenges that previously affected the accurate reflection of justified amounts in financial records have been addressed through system improvements and enhanced verification procedures, providing comprehensive visibility of all operational advance activities.</p> <p><i>Note on Payment Methods:</i> The Representation notes that the revised guidance issued by Headquarters following C-ERP transition (paragraphs 3.4 and 3.5.2) identifies bank transfer as the preferred payment method for operational advances. Current practices align with this corporate guidance while maintaining appropriate controls and accountability measures.</p> <p><i>(c) Procurement & Contracts Management Strengthening:</i></p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>The Representation confirms systematic compliance with UNHCR procurement procedures across all financial thresholds (Local Committee on Contracts, Regional Committee on Contracts, Headquarters Committee on Contracts). All procurement actions are systematically submitted through established approval channels, ensuring appropriate oversight and authorization at every level of procurement activity. For the specific construction projects referenced in Farchana and Guereda, the operation confirms that all required financial safeguards were properly implemented, with advance payment guarantees and performance bonds secured in full compliance with UNHCR regulations and Chad national requirements.</p> <p>Contractual penalties and remedies are comprehensively defined within the General Conditions of Contract executed with all suppliers. The operation commits rigorous enforcement of these penalty clauses upon project completion, ensuring accountability for performance standards and delivery timelines. Preliminary meetings have been conducted with relevant suppliers to clearly communicate penalty structures and enforcement mechanisms, ensuring transparency and contractor awareness. Enhanced</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						contract management practices include establishing a roster of qualified contractors through competitive processes, improving the clarity and completeness of technical and financial bid specifications, and systematically applying retention fee mechanisms and performance bonds for all major contracts as additional financial protection.
6	The UNHCR Representation in Chad should strengthen its management of the receipt, storage and distribution of NFIs.	Important	Yes	Senior Supply Officer / Field Officer	30 September 2026	<p>The UNHCR Representation in Chad accepts this recommendation and confirms that comprehensive corrective measures have been implemented to strengthen NFI management across the entire supply chain.</p> <p><i>NFI Management System Enhancement:</i></p> <p>The Representation has conducted a comprehensive revision and update of NFI management standard operating procedures covering receipt, storage, and distribution protocols. Documentation requirements have been strengthened to ensure a complete audit trail throughout the NFI lifecycle, and enhanced monitoring mechanisms have been implemented to provide real-time visibility of NFI flows from procurement through final distribution to beneficiaries.</p> <p><i>Global Distribution Tool (GDT) Implementation:</i></p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>The GDT system will be fully operational for all in-kind assistance distributions, providing systematic tracking and verification with immediate visibility of distributed items from warehouse to beneficiary. The GDT process mirrors the established Cash-Based Interventions model, ensuring consistency across modalities and supporting compliance with corporate standards and audit requirements. Comprehensive training has been completed for all implementing partners, with ongoing field-level support mechanisms in place to ensure sustained effective utilization.</p> <p><i>Inventory Management Resolution:</i> The Representation experienced discrepancies during the migration from MSRP to CLOUD ERP, which occurred during the 2023 refugee influx period and prevented systematic real-time updates. Initial CLOUD ERP technical issues prevented immediate reconciliation between virtual and physical stock. The Representation confirms that no physical inventory losses occurred, and all recorded discrepancies are system-generated and fictitious. All cases have been submitted to the Headquarters Assets Management Board (HAMB) for adjustment and clearance of the discrepancies.</p> <p><i>Warehouse Management:</i></p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						Comprehensive warehouse management policy documentation has been developed and implemented, with enhanced warehouse organization and stock rotation procedures established. Strengthened access controls and inventory security mechanisms ensure the integrity of NFI storage and accountability throughout the supply chain.
7	The UNHCR Representation in Chad should strengthen its fleet management by: (a) rationalizing its vehicle fleet size; (b) addressing the identified inefficiencies in fleet maintenance arrangements; and (c) addressing gaps in collecting and analyzing data for decision-making.	Important	Yes	Senior Admin Officer	30 Juin 2026	<p>The UNHCR Representation in Chad accepts this recommendation and confirms that comprehensive fleet management improvements have been fully implemented since the establishment of the dedicated fleet management structure in late 2023. Based on the steps taken and evidence available we believe the recommendation part a and b can be closed.</p> <p><u>ACTIONS COMPLETED:</u></p> <p><i>(a) Fleet Rationalization:</i></p> <p>The vehicle fleet has been rationalized to align precisely with operational and emergency requirements. A comprehensive comparative analysis has been conducted reviewing fleet size across the 2023-2024-2025 periods, with utilization rate analysis demonstrating appropriate fleet sizing relative to operational demands. Logistical gaps have been addressed</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>through improved strategic vehicle deployment across field locations, and systematic tracking of vehicle utilization rates has been established to ensure optimal fleet efficiency on an ongoing basis.</p> <p>(b) Fleet Maintenance Efficiency: A cost-benefit analysis has been conducted comparing official dealer maintenance versus alternative arrangements, with enhanced utilization of authorized service providers were cost-effective. Systematic preventive maintenance schedules have been implemented, reducing breakdown incidents and extending vehicle lifespan. Regular monitoring reports track maintenance activities, costs, and vehicle availability rates, providing management with comprehensive oversight of fleet maintenance operations.</p> <p>(c) Data Collection & Analysis for Decision-Making: Governance Structure: A dedicated country-level fleet focal point has been appointed with clear responsibilities and authority for fleet oversight and coordination. An ongoing capacity-building program for field office staff on fleet management protocols and data collection has been established. Monthly coordination with Global</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>Fleet Management (GFM) on fleet planning, fuel monitoring, and vehicle performance tracking ensures alignment with corporate standards and provides access to specialized technical support.</p> <p>Data Systems & Monitoring: Vehicle tracking devices have been deployed enabling real-time location monitoring and movement verification. The Fleet Wave management software is fully operational, providing comprehensive data on vehicle usage, maintenance history, and performance metrics. A systematic fuel consumption tracking system has been implemented, identifying abnormalities and enabling corrective action. Enhanced monitoring and safety controls for heavy vehicles, including mandatory safety inspections, have been established. Reinforced data collection on generator utilization supports informed equipment management decisions. Systematic monthly analysis of fleet performance data with GFM identifies inefficiencies and fuel anomalies, with timely recovery actions implemented where irregularities are identified. This comprehensive data analysis supports strategic, evidence-based fleet management decisions.</p> <p>Fuel Procurement Enhancement:</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						Fuel procurement standard operating procedures have been strengthened, improving transparency and efficiency. Enhanced fuel sourcing arrangements ensure reliable supply and competitive pricing, contributing to overall cost-effectiveness of fleet operations.
8	The UNHCR Representation in Chad should: (a) reinforce its controls over fuel procurement and management; and (b) follow up identified anomalies and where necessary recover funds lost.	Important	Yes	Senior Supply Officer	31 Dec 2026	<p>The UNHCR Representation in Chad accepts this recommendation and confirms that significant improvements have been implemented in fuel procurement and management controls, with systematic anomaly tracking and resolution mechanisms established.</p> <p><i>(a) Fuel Procurement & Management Controls:</i></p> <p>Comprehensive updates and strengthening of fuel procurement standard operating procedures have been completed, with enhanced procurement procedures ensuring transparency, competitive pricing, and reliable sourcing. Improved fuel sourcing arrangements ensure reliable supply chains and cost-effectiveness. The fleet management integration detailed under Recommendation 7, including the dedicated fleet focal point appointment with clear fuel management responsibilities, systematic monthly fuel monitoring conducted in collaboration with Global Fleet Management, comprehensive fuel consumption</p>

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						<p>tracking across all vehicles and generators, and systematic identification of fuel consumption anomalies through data analysis, collectively address the fuel management control requirements.</p> <p><i>(b) Anomaly Follow-up & Fund Recovery:</i></p> <p>Monthly reviews of fuel consumption data are conducted to identify deviations from expected consumption patterns. Immediate investigation protocols have been established for identified anomalies, ensuring rapid response. Documented recovery actions are taken where irregularities are confirmed, including disciplinary measures and financial recoveries where applicable. Comprehensive fuel consumption reports are maintained, providing a complete audit trail and supporting informed operational decision-making. This systematic approach to data collection, analysis, and action has strengthened controls and addressed the remaining gaps identified during the audit.</p> <p><i>Supporting Documentation Available:</i></p> <p>Updated fuel procurement standard operating procedures, Monthly fuel consumption reports, Anomaly investigation reports and corrective actions taken, Recovery documentation for confirmed</p>

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						irregularities, Fleet focal point terms of reference, Monthly monitoring reports with Global Fleet Management.
9	The UNHCR Regional Bureau for West and Central Africa should: (a) review the capacity of the Representation's structure and staffing to deliver its mandate in an efficient and cost-effective manner; and (b) reinforce its oversight function so that key risks are addressed and accountability reinforced.	Important	Yes	Head of Bureau Strategic Planning and Management Service	30 June 2026	<p>The Regional Bureau for West and Central Africa accept this recommendation and confirms that comprehensive measures are being implemented to strengthen oversight and accountability mechanisms.</p> <p><u>ACTIONS COMPLETED & UNDERWAY:</u></p> <p><i>Part a) Review of Representation structure and staffing capacity:</i></p> <p>In October-November 2024 a 3.5 week-mission led by the Chief of the Strategic Workforce Planning Section was conducted in all the Duty stations in Chad. The Snr HR Partner and HR Officer from the RB Dakar were part of the mission. The structure of the CO and the coordination model of the East was reviewed in detail. See the Report attached. We recommended the creation of a Principal Situation Coordinator D1 in Abeche to respond to the coordination issues and to the need of increasing the oversight and compliance with our procedures. This model was implemented by the end of the 2025 first quarter. Then, although the mission at that time had recommended to keep 2 SO in the East, Farchana became the only Sub-</p>

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						<p>Office and with the Head of Office at P4 level. With the Principal Situation Coordinator in Abeche, the responsibilities and delegated authority have been moved to the East. The leadership was strengthened and the collaboration/coordination with all the stakeholders including Government was improved. The following step was to ensure that SO Farchana was clearly under the responsibility of the Principal Situation Coordinator. This has been established based on the recommendation of the HR mission and the following missions of the RB and HQ. The decentralization is in place. However, the mechanisms to ensure that all the processes are monitored are still to be reinforced when the issue of the limited human resources will be overcome.</p> <p>Regarding the diversity, the gender diversity is still to be improved. The task is made even more difficult in the current context as we can recruit only internally, therefore, we outreach in the same pool of candidates with an overwhelming percentage of male candidates. Regarding the diversity of the international staff, this has considerably improved we have now one nationality with 17 staff members (compare to 26 mentioned in the Audit Report) but 7 are on TA and will be replaced in the coming months</p>

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						<p>by fixed term positions. It is to be noted that Chad is recruit intensively and about 60% of the new assignments in WCA are in Chad. This is to rebalance the nationality diversity and to ensure that we bring new staff in the operation to replace those who have been for 4 years already in the country.</p> <p>In general, there are a lack of technical staff in Chad, however, this is compensated by the technical staff of the partners agencies and the agreement we had with DESS to prioritise the Standby Partners to respond to the emergency and build the local technical capacities. The Standby Partners provided important support and with other Affiliate workforce and regular positions, there is now, for example, a WASH technician in all the key duty station: Ndjamen, Abeche, Farchana, Iriba, Ghz Beida, and Gore; A Shelter technician in Ndjamen, Abeche, Hadjer Hadid, Ghz Beida, Guerada, Gore and Baga Sola. There are also Energy Experts in Ndjamen, Abeche and Iriba. Therefore, since the beginning of 2025 the configuration and coverage of the technical function has evolved positively.</p> <p>The points mentioned in the part a) of the recommendation was already a priority for the operation and the RB. Being a priority, the actions have been taken, and the follow-up has been</p>

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						<p>done to ensure that the situation was corrected. <i>We agree with the contain of the priority and its relevance but at this stage we considered that the main issues raised in this recommendation have been addressed and that the recommendation could be removed from the final report.</i></p> <p><i>(b) Oversight for key risks & Accountability Reinforcement</i></p> <p>Despite the Regional Bureau’s limited dedicated capacity in risk management, the RB has remained actively engaged in supporting operations and reinforcing its oversight function to ensure that key risks are effectively addressed, and accountability is strengthened. Notably:</p> <p>Support to Chad operation: The RB has played a pivotal role in assisting the Chad operation with a comprehensive review of its 2025 and 2026 risk register. This included advising the realistic treatment of risks and leading the operation to adopt a more effective operating modality, transitioning shelter and hot meal assistance to direct implementation. Furthermore, the RB</p>

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						<p>risk unit successfully advised Chad Senior Management to review and update their Standard Operating Procedures (SOPs) for Non-Food Items (NFIs) and shelter, in response to recurrent audit observations. The RB also supported the operation in elaborating internal notes with strong recommendations related to susceptible fraud cases. These strategic shifts were endorsed by Chad Senior Management, and supporting documentation has been provided by the operation.</p> <p>Contingency planning: The RB assisted all units and the field offices in Chad, as well as with the support of the Emergency and Security sections within the RB, to update the contingency plan for Chad. The revised plan is more realistic and implementable. This collaborative effort reflects the RB's commitment to proactive risk mitigation and operational readiness.</p> <p>Independent review The RB conducted an independent review of the Chad operation, focusing on root cause analysis of recurrent audit findings over recent years. This initiative is designed to help the operation identify internal</p>

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						<p>weaknesses, take corrective actions, and strengthen integrated risk management practices. It also contributes to reducing the risk of fraud and enhancing overall accountability. One of the first outcomes of this initiative was the designation and clarification of the roles of Result Managers per operational area, thereby improving ownership, accountability, and performance monitoring.</p> <p>Enhanced risk oversight measures: To further reinforce its oversight role in risk management, the RB has:</p> <ul style="list-style-type: none"> • Supported the Chad operation in developing a risk accountability matrix, clearly assigning responsibility for each risk to specific units or individuals. • Initiated quarterly thematic reviews (e.g., procurement, cash assistance, shelter) focusing on risk exposure, mitigation progress, and fraud vulnerabilities. • Worked to integrate risk oversight into strategic planning and budget reviews, ensuring that risk mitigation measures are adequately resourced and prioritized.