Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2026/029

Audit of the arrangements for office closures at the Office of the United Nations High Commissioner for Refugees

The closure of UNHCR offices under compressed timelines constrained its ability to ensure service continuity to forcibly displaced persons, support staff well-being and safeguard organizational assets.

01 October 2026
Assignment No. AR2025-160-02

Audit of the arrangements for office closures at the Office of the United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the arrangements for office closures at the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess the adequacy and effectiveness of office closure processes. The audit covered the period from January 2024 to September 2025 and included a review of: (a) governance; (b) planning and implementation of closure activities; (c) safeguarding of assets including records and data; and (d) staff management.

Severe financial constraints in 2025 compelled UNHCR to undertake organization-wide restructuring and downsizing, including office closures. To support the effective closure of offices, UNHCR needed stronger governance arrangement, planning, implementation, oversight and support mechanisms, as well as practical guidance and tools. Identified weaknesses affected the orderly transition of programmes and operations into new arrangements, disrupted service delivery to forcibly displaced persons, and had an adverse impact on staff well-being during transition and separation processes. Furthermore, weaknesses in the management and safeguarding of assets, records and data during office closures exposed UNHCR to operational, accountability, and institutional knowledge risks.

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

- Clarify responsibilities, authorities and accountabilities for oversight and support regarding office closures.
- Translate guidance into practical tools to supporting office closures.
- Ensure that office closures are supported by plans consisting of closure justifications, assessed capacity of offices taking over responsibilities, stakeholder coordination and transition arrangements, and management of resultant risks.
- Ensure that outstanding closure actions in relevant offices are completed, including the unresolved issues on cash and cash in bank accounts, receivables, payables and fixed assets, and termination of office leases and other related contractual arrangements.
- Ensure that warehouses associated with closed offices are closed off after the related inventories are appropriately disposed of.
- Reinforce its data management and record-keeping practices arising from unanticipated situations such as office closures, to protect, preserve and safeguard organizational knowledge.

UNHCR accepted recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

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Audit of the arrangements for office closures at the Office of the United Nations High Commissioner for Refugees

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the arrangements for office closures at the Office of the United Nations High Commissioner for Refugees.

2. UNHCR has different types of field presences, i.e., Regional Bureaux, Multi-Country Offices (MCOs); Country Offices; and National Offices. In exceptional cases, UNHCR also established Liaison Offices and Offices of Chief of Mission. Country Offices and MCOs could also establish subsidiary entities, i.e., Sub-Offices, Field Offices; and Field Units.

3. UNHCR's severe liquidity and financial crisis in 2025 triggered a rapid organization-wide review of its office structures and staff under a compressed timeframe between May and October 2025. The authorized operating level budget decreased by 26 per cent, i.e., from $4.9 billion in 2024 to $3.6 billion in 2025. This, according to the data provided by the seven Regional Bureaux, resulted in UNHCR's closure, restructuring and downgrading of 167 offices by October 2025, leaving 665 active offices by 30 June 2025. The restructuring of Headquarters and Regional Bureaux was conducted concurrently with office closures in the field.

4. UNHCR's organizational design was managed by the Division of People Management, formerly Division of Human Resources (DHR) from April 2019 with a focus of ensuring that office structures and workforce allocation underpinned efficient operational setup. The organization-wide review in 2025 was, however, coordinated by a time-bound Transition Working Group (TWG)[1] comprising of representatives from the Executive Office, the former Division of Strategic Planning and Results (DSPR)[2], and DHR. This was with the support from UNHCR's Design, Development and Risk Service (DDRS) that provided advice on the alignment of structures, systems and policies with UNHCR's strategic priorities.

5. The data on execution of the office closures was captured in UNHCR's corporate system, Cloud ERP (the UNHCR enterprise resource planning system) for managing finance, supply chain and assets. Other systems that were used for recording financial and non-financial transactions included Workday for human resources transactions and Project Reporting, Oversight and Monitoring Solution (PROMS) for partnership management transactions.

6. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the adequacy and effectiveness of the arrangements for office closure in accordance with organizational policies; and in a manner that minimized operational disruptions and protected staff welfare.

8. This audit was included in the 2025 risk-based work plan of OIOS due to the risks arising from the simultaneous closure of many offices between 2024 and 2025.

[1] The group which operated between 5 May to 1 October 2025 was mandated to ensure coherence of the transition to the revised organizational structure. The TWG that provided such oversight during 2025 was an ad hoc rather than a formal structure and was dissolved thereafter

[2] DSPR is now Division of Emergency, Security and Supply

9. OIOS conducted this audit from September to February 2026 and covered the following areas: (a) governance; (b) planning and implementation of closure activities; (c) safeguarding of assets including records and data; and (d) staff management. The audit covered the period from 1 January 2024 to 30 September 2025. The audit covered all closure processes, and sampled 12 offices for detailed reviews comprising various types of offices and closure modalities, as below:

Seven closed	Regional Bureau for Southern Africa (RBSA), Sub-Offices Mosul (Iraq) and Aru (Democratic Republic of the Congo), Field Office Ibarra (Ecuador), Sub-Office Tuxtla and Field Unit Palenque (both in Mexico) and Country Office Azerbaijan
Four downsized	Multi-Country Office in Cote d'Ivoire, Country Office Malawi, Field Office Ali Sabeh (Djibouti) and Field Unit Mekelle (Ethiopia)
One relocated	Sub-Office Mafraq to Zaatari refugee camp in Northern Jordan

10. The audit methodology included: (a) interviews of key personnel; (b) review of relevant documentation; (c) analytical review of UNHCR's data from PROMS, Cloud ERP and Workday; (d) sample testing of controls; and (e) administration of questionnaires to the relevant offices and selected stakeholders such as partners and governmental entities. OIOS did not obtain the full documentation and information requested for two of the downsized offices, i.e., Ali Sabeh and Malawi; and this constrained the audit's ability to assess the adequacy and effectiveness of office closure processes in these two offices.

11. OIOS assessed the reliability of data related to the expenditure by: (a) reviewing existing data in PROMS, Cloud ERP, and Workday, and (b) interviewing UNHCR personnel who worked in or had knowledge of the 12 closed offices covered in this audit. Additionally, OIOS traced a random sample of data to source documents. OIOS determined that overall, subject to the observations made in this report, the data was sufficiently reliable for the purpose of addressing audit objectives.

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

III. AUDIT RESULTS

A. Governance

<u>The multi-functional oversight mechanisms were not adequate</u>

(a) Inadequate oversight and support arrangements

13. The office closure processes were spread across different Divisions and Bureaux, which necessitated clarity on roles and responsibilities, standards and guidance for their management in a timely and cost-effective manner.

14. UNHCR's Administrative Instruction on Resource Allocation Framework and its Roles, Accountabilities and Authorities (RAAs) requires that DHR, in consultation with relevant thematic experts, conduct analyses and that its related recommendations inform the Resource Planning and Management Board's decisions on organizational design. However, DHR did not have any such involvement. Country reviews were led by Bureaux with support from the-then DSPR, while Headquarters and Bureau structures reviews were conducted by TWG. The audit noted that:

- While the TWG's review adopted a structured analytical process for an objective, data-driven approach to office restructuring, DSPR's review primarily focused on cost-cutting, and thus was not sufficiently informed by analyses of structures and staff needed to deliver services and

assistance to displaced persons as required. The absence of these analyses led stakeholders, including member states, to question the justification for closing certain offices.

- There was no documentation to evidence how proposals in March 2025 were implemented. This was the case for the Assistant High Commissioner (Operations)'s recommendation to close 64 offices, undertake a full review of 39 offices, restructure 12 offices and retain 15 other offices.

(b) Inadequate guidance/tools for office closures

15. UNHCR defined office closure processes in its: (i) Administrative Instruction on Resource Allocation Framework; and (ii) Handbook for designing Field Presences. However, the two documents did not adequately cover related governance arrangements, roles and responsibilities, decision-making criteria, and minimum procedural requirements for office openings, closures, and modifications.

16. The cross-functional nature of office closures was addressed through DDRS' development of a checklist that compiled all relevant guidance in 2025 across 14 functional areas[3] to guide related processes. However, OIOS noted the following:

- While the reviewed offices appreciated the guidance the checklist provided, they also found it to be complex, cumbersome, and ill-suited for exceptional circumstances. It was designed for routine conditions and therefore impractical for closures under compressed timelines, such as those in 2025, or abrupt closures mandated by host governments. For instance, asset disposal processes were lengthy and cumbersome resulting in Headquarters being unable to support global auctions of assets at short notice in 2025.
- The checklist also did not cover important controls such as: (a) monitoring of closure costs; (b) management of different staff scenarios; (c) effective handovers of the protection mandate upon office closure; (d) compliance with local laws including requirements related to termination of partner staff; and (e) responsibility for recovering UNHCR credentials and security access during closure.
- The checklist did not require closed offices to identify operational, financial, legal, and reputational risks for mitigation such as: (a) deterioration of refugee well-being; (b) erosion of trust with authorities and other stakeholders potentially undermining future humanitarian engagement; and (c) insecurity risks arising from the sudden disengagement. Only 4 of the 12 reviewed offices, i.e., Azerbaijan, Cote d'Ivoire, RBSA and Ibarra identified key risks for mitigation.

17. Comprehensive guidance for UNHCR's closure of offices was important as office closure processes were not unique to the 2025 austerity measures but recurred as the organization adjusted its operational structure to evolving circumstances.

(1) UNHCR Design, Development and Risk Service should clarify responsibilities, authorities and accountabilities for oversight and support regarding office closures.

UNHCR accepted recommendation 1 and stated that this would be addressed through the organization-wide review of RAAs, due in early 2027. It would also present options to the Executive Office on assigning oversight, support, authority, and accountability for office closures.

[3] The checklist covered the areas on protocol; protection and solutions; funded partnership management; external relations and communications; human resources and travel; finance; asset management and vehicles; premises, warehouse and inventory; procurement and contract management; records management; IT services and equipment; security; data; and budget.

(2) UNHCR Design, Development and Risk Service, working with relevant Headquarters Divisions, should translate existing divisional guidance into practical and accessible tools supporting office closures.

UNHCR accepted recommendation 2 and stated that it would collaborate with relevant Headquarters Divisions to improve the coherence and accessibility of office closure guidance, addressing audit findings; and work would be concluded in fourth quarter of 2027.

B. Planning and implementation of closure activities

Weaknesses in planning impacted effectiveness of the office closure processes

18. Country operations needed to develop a comprehensive plan for office closures to ensure that related activities achieved their intended objectives including effectively mitigating relevant risks.

19. However, only one (RBSA) of the 12 offices reviewed had an office closure plan/roadmap to support related processes. Even then, the RBSA closure plan was not kept up to date as closure proceeded and this weakened its effectiveness. Entities attributed their inability to develop these plans in 2025 to the abruptness of closure requests and the highly compressed timeframe provided to close offices, i.e., three months.

20. The absence of closure plans resulted in uncoordinated, delayed, and costly transition processes, as well as weakened engagement with key stakeholders, as noted below.

(a) Lack of defined objectives, timelines, and prioritized activities

21. Although cost reduction was the primary driver of office closures, only Mafraq monitored and reported related cost savings. Other entities that reported that they had achieved savings from the closures lacked documentation to evidence it.

22. Without set timelines, closure processes and related activities continued well beyond the stipulated time for closure in all offices reviewed except Mafraq and Mosul. These delays increased office costs such as additional security and rental charges. Also, delays exceeding two months in the retrieval of generators and information and communications technology (ICT) equipment from closed offices heightened the risk of asset loss.

(b) Inadequate stakeholder coordination

23. The abrupt closure of offices in 7 of the 12 offices reviewed without proper communication with donors, media and refugee communities strained stakeholder relations. Four (Cote d'Ivoire, Ali Sabeh, Malawi, RBSA) of the 12 offices noted that the poorly managed exits damaged their relations with governments, donors, partners, and communities and ability to continue to work together effectively. In Ali Sabeh, this resulted in demonstrations that disrupted service delivery.

(c) Lack of capacity to sustain programme delivery

24. Weak transition arrangements from old to new structures impaired offices' ability to sustain the delivery of essential services during and after closure. This was particularly evident in nine offices that experienced full closures or significant operational restructuring (RBSA, Malawi, Tuxtla, Palenque, Ibarra, Mafraq, Mekelle, Aru, Cote d'Ivoire). The closed offices attributed this to the brevity of time over which

these offices were closed; which affected their ability to conduct assessments to understand the impact of office closures and/or the reduced UNHCR presence on service delivery.

25. Operations faced challenges in identifying suitable alternative arrangements to deliver services to forcibly displaced persons after offices were closed. Service delivery in 7 of the 12 offices reviewed (Ibarra, Cote d'Ivoire, Mafraq, Azerbaijan, Malawi, RBSA and Ali Sabeh) was impacted by the lack of capacity and/or resources in recipient offices to sustain the implementation of transferred programme and key protection activities. For instance, the government and partners that assumed protection services after the Cote d'Ivoire's MCO downsizing to a national office lacked the capacity and resources to continue implementation. Thus, by 1 July 2025, all operational activities were discontinued, which left some over 64,000 asylum seekers without essential services and humanitarian actors without updated data.

(d) Lack of transition mechanisms to complete activities during office closures

26. Seven of the 12 closed offices reviewed did not establish transition mechanisms to ensure completeness of necessary activities including handovers before the offices are closed per the agreed dates. While the RBSA established a 17-man transition team at a cost of $288,750, the effectiveness of this transition team was undermined by the lack of task-based staffing analysis to determine which functions were required and for what duration. In this case, the selection of transition team members was primarily based on their ongoing roles, without assessing staff workload, distribution of closure-related tasks, and defining deliverables and timelines.

(e) Inadequate management of partners during the transition

27. Operations increasingly relied on partners to implement programmes due to the absence or reduced presence of UNHCR in some areas. However, 3 of the 9 closed offices (Cote d'Ivoire, Tuxtla and Palenque) were unable to effectively manage the funded partners after the offices' closures. The absence of clear monitoring and handover arrangements after offices increased potential risks of financial loss and operational discontinuity. For instance, in Cote d'Ivoire: (i) the receivables from government partners totaling $8,420 were not recovered and had to be written off in 2025; and (ii) the operation was also unable to recover four vehicles from a government partner despite follow up.

28. These and other systemic issues noted by OIOS in previous country audits, including inability to recover unused funds/assets and value added tax continued to demonstrate heightened financial risks related to partnership management. Further no partner agreements were formally terminated in Tuxtla, which left UNHCR exposed to legal and financial risks. Also, no arrangements were made for the transfer and safeguarding of records, which created risks of data loss.

(3) UNHCR Design, Development and Risk Service, in coordination with relevant Headquarters Divisions, should ensure that office closures are supported by comprehensive plans that provide approved justifications for closures, assessed capacity of offices taking over responsibilities, established stakeholder coordination and transition arrangements, and manage resultant risks.

UNHCR accepted recommendation 3 and stated that it could develop a template to help document the planned closure process that could be included in the operational guidance in 2027.

C. Safeguarding of assets including records and data

29. There were increased risks of loss, misappropriation, and inaccurate accounting for assets including low value tracked items (LVTIs) during closure processes, and the need to reinforce controls over support activities like budgeting, financial obligations, asset transfer or disposal, record keeping and data management.

Inadequate controls over financial and fixed assets

(a) Outstanding bank accounts and cash

30. A review of bank accounts and cash following the closure of offices noted the following:

- Twelve staff whose posts were either discontinued or their respective offices closed between February and September 2025 remained bank signatories for 15 accounts as of 27 October 2025. Of the 12 staff, 11 were removed as signatories from 17 accounts between 1 and 11 months past their separation dates and 1 was still a signatory as of 9 April 2026.
- Four of the 167 closed offices had material unreconciled items in their bank accounts totalling $2.4 million as of February 2026. In addition, at the time of the audit, there were unresolved bank account transactions in 2 of the 12 offices (Tuxtla, Palenque) reviewed.
- Malawi did not have clear plan on how the $538,000 held in the bank on 30 September 2025 would be managed. UNHCR stated that the Malawi bank account remained operational after the reported closure date, processing payments and supporting ongoing activities.

(b) Outstanding receivables and payables

At the time of the audit, there were accounts receivable balances relating to former staff and affiliates, of which recoverability was doubtful considering that the staff had already separated from service.

- Receivables totalling $0.25 million as of February 2026 were related to 89 former employees and affiliates. Of this amount, $71,544 related to 37 separated staff from 11 of the 167 closed offices. The 12 offices reviewed had 22 separated staff that had receivables totalling $50,707.
- Eleven staff in 8 of the 167 closed offices had outstanding operational advances totalling $14,314 as of August 2025. Additionally, three staff in the 12 offices reviewed had outstanding operational advances totalling $5,560.
- RBSA did not recover costs of private calls by separated staff, January 2024 to September 2025.

31. Three of the closed offices reviewed (Tuxtla, Palenque and Cote d'Ivoire) had outstanding receivables of $135,930 as of June 2025 which pertained to staff and affiliates or commercial suppliers or partners. Tuxtla and Palenque also had unpaid invoices totaling $60,198 (some dating as far back as 31 December 2023), of which $23,045 pertained to a UNHCR staff while the remaining $37,153 pertained to commercial suppliers and partners.

32. The Representations attributed these outstanding receivables and payables recorded in their respective business units to Cloud ERP migration and technical issues. The above weaknesses were due to the lack of adequate monitoring from Headquarters addressing unresolved issues on cash accounts, receivables and payables in closed offices.

(c) Inadequate controls over the fixed assets

33. Seven of the 167 closed offices still had fixed assets recorded in Cloud ERP as at 4 March 2026. For example, Cote d'Ivoire and Senegal still had 782 items (totaling $0.95 million) and 895 items (totaling $2.48 million) listed under them in Cloud ERP, respectively. The Azerbaijan operation, which was closed in August 2025, still had 23 assets, including two light vehicles, totaling $61,178, which, according to closure documentation, had been transferred to another country operation.

34. The inconsistent application of asset management guidance in Cote d'Ivoire exposed the assets to the risk of loss. The office did not provide evidence of physical existence of 2,115 assets totaling $6.2 million. In the absence of alternative storage, the assets at the time of the audit were kept in an open area pending auction, exposing them to risks of theft and deterioration. It also lacked documentation to evidence the transfer of 103 LVTIs as well as the donation of 107 telecommunications items to other operations and the reported destruction of 28 LVTIs. The operation was also unable to recover four vehicles from a government partner despite repeated follow-up.

35. Furthermore, the closed offices in Malawi, Mekelle and RBSA were unable to account for laptops, tablets, printers, video conferencing and network equipment and consumables totaling $62,557 in their records. This included 21 brand new laptops and consumables in one of the offices which was referred to the Inspector-General's Office for investigation. Thes issues reflected weaknesses in its asset management controls during office closures, thereby increasing the risk of loss.

36. Further, offices lacked documentation to evidence the termination of property leases and utilities. For instance, Cote d'Ivoire could not evidence its termination of leases and utilities for the two locations it operated in. This resulted in service providers continuing to issue utility bills after office closures. It also increased the risk of disputes, as noted in Mekelle, where delays in handing over premises resulted in unresolved landlord damage claims amounting to $18,000. Additionally, containers containing furniture were left at the rented premises in the Ali Sabeh office without a formal agreement with the landlord. The latter put access restrictions on the containers.

(4) UNHCR Division of Resource Management should address outstanding closure actions identified in this audit regarding: (a) unresolved issues on cash and cash in bank accounts, receivables, payables and fixed assets; and (b) termination of office leases and other related contractual arrangements.

UNHCR accepted recommendation 4 and stated that it would resolve outstanding items, issue guidance for completing office closure financial activities, and strengthen monitoring of closure actions through policies and guidelines by end of 2027.

Inadequate controls over warehouse and inventory

37. Thirty warehouses associated with the 167 closed offices were still shown as active in the Cloud ERP system. Sixteen of these warehouses still had recorded inventories totaling $96,379. The Division of Emergency and Programme Support noted that:

- Twelve of the 30 warehouses were closed by 31 March 2026. Six of these 12 warehouses were closed in Cloud ERP between 0.5 and 1.5 months after the respective office closure. Eight other warehouses with inventories totaling $13,527 were due to be closed.
- The other 10 warehouses would remain open and operational despite the closure of their associated offices. The maintenance of warehouses without corresponding offices to manage and oversee their operations heightened the risk of loss of inventories.

(5) UNHCR Division of Emergency and Programme Support should ensure that warehouses associated with closed offices are closed off after the related inventories are appropriately disposed of.

UNHCR accepted recommendation 5 and stated that it had strengthened warehouse closure controls by introducing a follow-up record for unresolved issues, enhancing monitoring and documentation, ensuring reconciliation before closure, and maintaining oversight through SOLVE and inventory verification processes.

Weaknesses in the safeguarding of records and data

(a) Inadequate controls over record keeping

38. While the closed offices in Azerbaijan, Mafraq and Ibarra demonstrated systematic records management practices, e.g., maintaining updated SharePoint repositories for documents that supported timely retrieval of documents, including those relevant to this audit, this was not the case in the other closed offices reviewed. Other offices had significant control deficiencies in record keeping, with most documents not managed and archived in accordance with policy requirements, or in a manner that preserved institutional memory. The 12 closed offices created a SharePoint repository for documents to cater for this audit. Audit focal points had to engage multiple staff members and offices to obtain clarification on submitted documents and missing records. This indicated that records management was not institutionalized.

39. Other issues noted across the 12 offices included: (a) incomplete inventories of physical records compromising accountability and data privacy; (b) limited clarity on responsibility for securing electronic and physical files; (c) inability to access physical records at different locations due to resource constraints; and (d) risk of loss and exposure of sensitive information due to inadequate security arrangements at storage facilities.

40. The lack of structured records management and limited innovation on digitalization resulted in avoidable costs, i.e., shipping, archiving, and document destruction. For example, the Azerbaijan operation incurred additional costs when it shipped 273 boxes of files to Budapest for onward transmission to Geneva instead of sending the boxes directly to the intended final destination, whilst most of the hard copy files were legacy documents or pertaining to previous years. Also, the RBSA and Malawi budgeted $250,000 and $26,000 respectively for storage and digitization. Ibarra also retained 19 boxes which required storage. The office in Mafraq also had seven personnel shredding 169 boxes of files over 11 days.

(b) Lapses in the management of data and information technology services

41. While the 12 offices reviewed indicated that they had coordinated with the Bureaux and Headquarters to deactivate information technology services and data transfer, this was not evident. Only Azerbaijan had a wipe certificate issued by Headquarters and related backup and archiving documentation. Furthermore, in three offices downgraded to minimal staffing of one to three staff (Malawi, Cote d'Ivoire and Mekelle), the absence of ICT personnel resulted in there being no established procedures for remote support, custodianship or ongoing management of internet services and remaining ICT equipment.

(6) UNHCR Global Data Service should reinforce its data management and record-keeping practices arising from unanticipated situations, such as office closures and other similar operational disruptions to protect, preserve and safeguard organizational knowledge.

UNHCR accepted recommendation 6 and stated that it would strengthen records management for office closures by updating policies, developing standard operating procedures, and incorporating contingency planning into country-level SOPs; and all actions would be completed by end of 2027.

D. Staff management

Staff transition and separation challenges were noted

42. UNHCR discontinued approximately 5,400 positions between February and September 2025 and this represented some 30 per cent of its global staff. The 12 closed offices reviewed resulted in the discontinuation of 335[4] staff positions. OIOS observed some challenges as below:

- There were delays in Headquarters/Bureaux/operations confirming new staff structures and communicating terminations and downgrades to affected staff, with most receiving termination letters a month prior to their separation dates. This was attributed to compressed office closure timelines and the concurrent restructuring of Headquarters, Bureaux and country offices. Despite the psychosocial support provided to separated staff, 11 closed offices reviewed (except for Ibara) noted that their termination could have been enhanced through better communication and better transition support.
- The short timelines affected the organization's ability to effectively consult affected staff, undermining a people-centered separation process and adversely impacting staff well-being. For instance, staff whose posts were discontinued due to office closures were required to continue working while also processing their separation. This as noted by the reviewed offices contributed to emotional distress among staff as well as reported declines in productivity and service delivery to forcibly displaced persons. Furthermore, low staff morale adversely affected the continuation of critical work and post-closure activities.
- The audit also identified instances where staff faced delays in receiving their termination benefits despite full clearance by relevant units as part of the staff separation process. Payments of termination benefits to qualified staff in Ibarra, Mosul and Azerbaijan were delayed by between one and five months after their separation from service.

43. The above issues were a result of lack of adequate planning and assessment of the impact of reduced staffing occasioned by the short notices provided to effect closures. Consequently, staff transition/separation and well-being were not well managed, resulting in heightened risks of loss of institutional knowledge, negative psychosocial impact on staff, and loss of UNHCR's reputation. A related recommendation is raised in Section A.

IV. ACKNOWLEDGEMENT

44. 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

[4] Including 74 positions in RBSA itself and excluding 390 discontinued positions in various country operations under RBSA.

ANNEX I

STATUS OF AUDIT RECOMMENDATIONS

Audit of the arrangements for office closures at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical[5]/ Important[6]	C/ O[7]	Actions needed to close recommendation	Implementation date[8]
1	UNHCR Design, Development and Risk Service should clarify responsibilities, authorities and accountabilities for oversight and support regarding office closures.	Important	O	Receipt of the revised RAAs with clear roles, authorities and accountabilities for oversight and support to office closures.	31 March 2027
2	UNHCR Design, Development and Risk Service, working with relevant Headquarters Divisions, should translate existing divisional guidance into practical and accessible tools supporting office closures.	Important	O	Receipt of the enhanced guidance translating divisional guidance into practical and accessible tools supporting office closures.	31 December 2027
3	UNHCR Design, Development and Risk Service, in coordination with relevant Headquarters Divisions, should ensure that office closures are supported by comprehensive plans that provide approved justifications for closures, assessed capacity of offices taking over responsibilities, established stakeholder coordination and transition arrangements, and manage resultant risks.	Important	O	Receipt of the enhanced guidance that included the requirement of preparation of comprehensive plans with justifications for office closures and address risk management, stakeholder coordination, transition arrangements, and the capacity of recipient offices and partners.	31 December 2027
4	UNHCR Division of Resource Management should address outstanding closure actions identified in this audit regarding: (a) unresolved issues on cash and cash in bank accounts, receivables, payables and fixed assets; and (b) termination of office leases and other related contractual arrangements.	Important	O	Receipt of evidence of actions taken to resolve financial matters, recovery of fixed assets and termination of leases and other contractual agreements related to the closed offices.	31 December 2027
5	UNHCR Division of Emergency and Programme Support should ensure that warehouses associated	Important	O	Receipt of evidence of the actions taken to resolve issues on open warehouses and the related inventories associated with closed offices.	31 December 2027

[5] 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.
[6] 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.
[7] Please note the value C denotes closed recommendations whereas O refers to open recommendations.
[8] Date provided by UNHCR in response to recommendations.

ANNEX I

STATUS OF AUDIT RECOMMENDATIONS

Audit of the arrangements for office closures at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical[5]/ Important[6]	C/ O[7]	Actions needed to close recommendation	Implementation date[8]
	with closed offices are closed off after the related inventories are appropriately disposed of.				
6	UNHCR Global Data Service should reinforce its data management and record-keeping practices arising from unanticipated situations, such as office closures and other similar operational disruptions to protect, preserve and safeguard organizational knowledge.	Important	O	Receipt of evidence of the actions taken to enhance data management and record-keeping practices during office closures.	31 December 2027

APPENDIX I

Management Response

APPENDIX I

MANAGEMENT RESPONSE

Audit of the arrangements for office closures at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical[9]/ Important[10]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
1	UNHCR Design, Development and Risk Service should clarify responsibilities, authorities and accountabilities for oversight and support regarding office closures.	Important	Yes	Head of Design, Development and Risk Service	31 March 2027	DDRS accepts this recommendation and will take it forward as part of the organization-wide RAAs review to be finalized in early 2027. Taking into account the Independent Management Review and subsequent discussions and decisions by the High Commissioner, in particular related to the role of Regional Bureaux, DDRS will provide the Executive Office with options on where to place the responsibilities, authorities and accountabilities for oversight and support for office closures, including pros and cons for each.
2	UNHCR Design, Development and Risk Service, working with relevant Headquarters Divisions, should translate existing divisional guidance into practical and accessible tools supporting office closures.	Important	Yes	Head of Design, Development and Risk Service	31 December 2027	Based on gaps or duplications identified by this audit and feedback received from the RBs, DDRS will work with relevant divisions to enhance coherence and accessibility of guidance required for effective office closures. Work will be initiated in Q2 of 2026 and aimed to be completed by Q4 2027.

[9] 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.

[10] 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[9]/ Important[10]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
3	UNHCR Design, Development and Risk Service, in coordination with relevant Headquarters Divisions, should ensure that office closures are supported by comprehensive plans that provide approved justifications for closures, assessed capacity of offices taking over responsibilities, established stakeholder coordination and transition arrangements, and manage resultant risks.	Important	Yes	Head of Design, Development and Risk Service	31 December 2027	This is not within the remit of DDRS to mandate field operations to submit closure plans. The AHC-O office or the regional bureaux would coordinate such planning. DDRS could support by developing a template to help document the planned closure process. This requirement could be added as of 2027 to our operational guidance.
4	UNHCR Division of Resource Management should address outstanding closure actions identified in this audit regarding: (a) unresolved issues on cash and cash in bank accounts, receivables, payables and fixed assets; and (b) termination of office leases and other related contractual arrangements.	Important	Yes	Head of Administration, Finance and Treasury Service	31 December 2027	Led by the Regional Bureaux, and in collaboration with concerned Headquarters Divisions, any remaining gaps identified in this audit on financial assets, warehouses and inventories, record keeping, and information technology services should be addressed. Actions: 1. Follow-up with the respective offices and Bureaus to find resolutions for those items flagged by OIOS as being outstanding. 2. Provide guidance on actions to be taken, as applicable, for completion of office closure activities related to bank accounts, receivables, payables, fixed assets, and leases – through paragraphs inserted in the instructions for year-end closing of accounts or in other dedicated guidance that UNHCR may put in place specifically for office closure. 3. Contribute to strengthening monitoring of closure actions related

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						to bank accounts, receivables, payables, fixed assets, and lease-related matters through relevant policies and guidelines owned and/or monitored by DRM.
5	UNHCR Division of Emergency and Programme Support should ensure that warehouses associated with closed offices are closed off after the related inventories are appropriately disposed of.	Important	Yes	Head of Supply Service	2027 Q4	1. Warehouse inventory reconciliation and closure In response to OIOS' observations regarding the need to ensure that "inventory records, and warehouses associated with closed offices are reconciled and closed off so that all assets and financial transactions are fully accounted for", UNHCR reviewed the warehouse closure process and provide evidence of the actions taken to address the cases of delayed closure identified during the field work. The process includes oversight by the SMS Inventory team to confirm that no physical stock or outstanding transactions remain before a warehouse is closed in Cloud ERP. While this control has operated effectively for several years, the exceptionally high number of warehouse closures in 2025 (87) highlighted the need for a more structured mechanism to identify and monitor individual cases requiring additional follow-up. • To strengthen monitoring and documentation controls, the existing Warehouse Closure Request Form will be complemented by a targeted Warehouse Closure Follow-up

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						record. This follow-up record will be used only where the review of a Warehouse Closure Request Form identifies outstanding stock, pending transactions or other issues preventing warehouse closure. All other cases will continue to follow the standard process. This additional Follow-up Record will document identified issues, required corrective actions, and responsible parties, enabling SMS Inventory team to monitor each case through to resolution. • Once these issues have been resolved, the request will be transferred to UNHCR Systems Support unit for closure in Cloud ERP. The overall process is managed through UNHCR's existing IT service management system, SOLVE, which provides an electronic audit trail through final closure in Cloud ERP, including the status and processing time of the request. The Warehouse Closure Follow-up Record complements the information available in SOLVE by documenting issues identified by SMS Inventory team before handover to Systems Support. Together, these two records provide end-to-end visibility of the closure process.

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						• This enhancement is further supported by UNHCR's existing stock verification framework. All warehouse recorded as active in Cloud ERP are subject to mandatory inventory verification activities established through an annual verification calendar. These include periodic physical counts and stock reconciliations throughout the year, as well as a mandatory year-end physical count and stock reconciliation as of 31st December. Physical counts provide a three-way verification that the quantities physically held correspond to the warehouse records, including bin cards and stock cards, and to the inventory balances recorded in Cloud ERP. Stock reconciliations provide a further review of the consistency between the warehouse records (bin and stock cards) and Cloud ERP balances. Consequently, a warehouse that remains open in Cloud ERP continues to appear within the population subject to these requirements. This provides an additional detective control through which the HQ Supply Inventory team can identify a warehouse that may no longer be operational, verify its status and follow up on any outstanding actions required for its reconciliation and closure.

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						• The Warehouse Closure Follow-up record is attached as evidence of implementation. As previously explained, the closure of an office does not necessarily require the closure of an associated warehouse, which may continue to support operational needs. 2. References to purchase orders Based on OIOS's response to the SMS/DEPS comments to Recommendation 5 and paragraph 38 of the report relating to Purchase Orders(POs), and noting OIOS's indication that the recommendation will not be considered if SMS provides evidence of the controls in place, and also consider OIOS confirmed the reference to POs will be removed, UNHCR would like to request that OIOS remove reference to POs from the report and that OIOS confirm that the text on POs part of paragraph 38 as well as recommendation #5 is no longer part of the final report or is adjusted to reflect the evidence provided.
6	UNHCR Global Data Service should reinforce its data management and record-keeping practices arising from unanticipated situations, such as office closures and other similar operational disruptions to protect, preserve and safeguard organizational knowledge.	Important	Yes	Head of Global Data Service	2027 Q4	Recommendation 6 is accepted as is. Follow up actions: (1) Incorporate provisions for records management in cases of office closures in policies/guidelines owned and/or monitored by GDS/Records and Archives. (2) Develop dedicated SOPs for records management to support

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						future office closures and re-structuring in form of an Annex to policies and guidelines. (3) In relation to the implementation of the Policy on Records and Archives Management Policy in general, country-level SOPs articulating records management under the Master File Plan will include a contingency planning provision. The recommendation will be closed once the above 3 actions have been taken by end 2027.