



INTERNAL AUDIT DIVISION

REPORT 2023/103

Audit of operations in Bulgaria, Croatia, France, Germany and the United Kingdom for the Office of the United Nations High Commissioner for Refugees

Key UNHCR control frameworks needed to be contextualized for implementation within the unique country situations and available resources

**29 December 2023
Assignment No. AR2023-121-01**

Audit of operations in Bulgaria, Croatia, France, Germany and the United Kingdom for the Office of the United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

operations in Bulgaria, Croatia, France, Germany and the United Kingdom for the Office of the United Nations High Commissioner for Refugees. The objective of the audit was to assess whether the Representations were executing the UNHCR's mandate in a timely, cost-effective manner and in compliance with UNHCR's policy requirements. The audit covered the period from 1 January 2021 to 31 December 2022 and included (a) strategic planning and resource allocation; (b) fair protection process/access to asylum; (c) resource mobilization; (d) financial, procurement and partnership management; and (e) basic needs in Bulgaria.

The role of the Representations in Bulgaria, Croatia, France, Germany and the United Kingdom was primarily advocacy, protection monitoring, supporting national asylum systems and capacity building of state actors. Because of the limited contextualization of UNHCR requirements for smaller operations, the five Representations faced challenges in complying with UNHCR's policy framework in strategic planning, performance, financial and partnership management. Further, three Representations operated in countries that were major UNHCR donors, but their roles in resource mobilization and fundraising had not been clarified. Only the Representation in Bulgaria was actively involved in service delivery to forcibly displaced persons, and the audit identified gaps in its controls over targeting and identification of beneficiaries and distribution of cash assistance.

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

- Contextualize organizational requirements for strategic planning and performance measurement requirements for small operations not involved in service delivery;
- Ensure that the Representations in Bulgaria, Croatia, France, Germany and the United Kingdom have work plans to direct their programme activities and support their strengthening of collection and reporting of performance data in these countries;
- Strengthen fair protection and access to asylum activities through issuing additional guidance for Representations on: (a) developing capacity building plans informed by needs assessment and evaluations of past trainings; and (b) implementing measures to address challenges related to refugee status determination;
- Ensure that roles and responsibilities are defined and agree plans for resource mobilization and fundraising in Bulgaria, Croatia, France, Germany and the United Kingdom;
- Ensure that controls over financial, procurement and partnership management arrangements in Representations in Bulgaria, Croatia, France, Germany and the United Kingdom are reinforced within available resources; and
- Strengthen its operational capacity for effective management of Cash-based Intervention (CBI) in compliance with UNHCR requirements in Bulgaria.

UNHCR accepted all 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 operations in Bulgaria, Croatia, France, Germany and the United Kingdom 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 Bulgaria, Croatia, France, Germany and the United Kingdom for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. The Representations in Bulgaria, Croatia, France, Germany and the United Kingdom report to the Regional Bureau for Europe (hereinafter referred to as ‘the Bureau’). Relevant details for the five Representations are summarized in Table I below. The five countries not only hosted but were responsible for service delivery to the large numbers of forcibly displaced persons, most of whom were from Ukraine.

Table I: Overview of the five Representations

Country Operation	Summary of forcibly displaced persons (as of 31 December 2022)	Number of staff (31 July 2023)	Total approved operation budget (including programme budgets) 2021-2022 (\$)	Number of partners
Bulgaria	188,624 individuals consisting of 176,297 refugees, 11,165 asylum seekers, and 1,162 stateless persons. The refugees were predominantly from Ukraine (85 per cent) and asylum seekers were mainly from Syria (51 per cent).	Representative at P5 level 34 staff positions. 11 international staff 23 local staff 7 affiliate staff	7,350,370 (Programme budget: 4,789,085)	7
Croatia	22,817 individuals consisting of 20,645 refugees, 1,225 asylum seekers, 947 stateless persons. The refugees were predominantly from Ukraine (94 per cent).	Representative at P4 level 14 staff positions 12 local staff 2 international staff	3,478,433 (Programme budget: 1,522,701)	7
France	693,610 individuals consisting of 612,934 refugees, 75,059 asylum seekers, 3,901 stateless persons; and 1,716 others of concern from 129 countries of origin, predominantly from Ukraine (11 per cent) and Afghanistan (10 per cent).	Representative at D1 level 18 staff positions 5 international staff 13 local staff, 9 affiliate staff	8,114,600 (Programme budget: 3,668,179)	4
Germany	2,365,980 individuals consisting of 1,895,122 refugees, 261,071 asylum seekers, 29,455 stateless persons, and 180,332 others of concern, predominantly from Ukraine (43 per cent) and Syria (27 per cent)	Representative at D1 level 14 staff positions 2 international staff 12 local staff 1 affiliate staff	4,220,587 (Programme budget: 295,000)	1

Country Operation	Summary of forcibly displaced persons (as of 31 December 2022)	Number of staff (31 July 2023)	Total approved operation budget (including programme budgets) 2021-2022 (\$)	Number of partners
United Kingdom	501,976 individuals consisting of 329,001 refugees, 167,305 asylum-seekers, 5,351 stateless persons and 319 others of concern from 165 countries of origin. The refugees were predominantly from Ukraine (38 per cent) and Iran (8 per cent)	Representative at D1 level 16 staff positions 5 international staff 11 local staff 3 affiliate staff	4,842,054 (Programme budget: 351,656)	2

3. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

4. The objective of the audit was to assess whether the Representations were executing the UNHCR’s mandate in a timely, cost-effective manner and in compliance with UNHCR’s policy requirements.

5. This audit was included in the 2023 risk-based work plan of OIOS in accordance with OIOS audit cycle for country operations rated as low risk. OIOS conducts limited scope audits for countries assessed as low risk every five years to provide the required level of assurance.

6. OIOS conducted this audit remotely from September to October 2023. The audit covered the period from 1 January 2021 to 31 December 2022. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in the five operations, which included: (a) strategic planning and resource allocation; (b) fair protection process/access to asylum; (c) resource mobilization; (d) financial, procurement and partnership management; and (e) basic needs in Bulgaria. The audit also assessed the adequacy and effectiveness of the Regional Bureau’s oversight, guidance and support to the country Representations.

7. The audit methodology included: (a) interviews with key personnel, (b) a review of relevant documentation, (c) analytical review of data, and (d) sample testing of controls.

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

III. AUDIT RESULTS

A. Strategic planning and resource allocation

Need to strengthen needs prioritization and performance management

9. To implement UNHCR’s protection mandate to forcibly displaced and stateless persons, it is essential that: (i) their needs are identified and prioritized in a strategic plan that is aligned to UNHCR global priorities and informed by reliable data; (ii) strategic plans have adequate resourcing and are supported by protection and relevant operational strategies; (iii) risks that may deter the achievement of

strategic objectives are identified and effectively mitigated; and (iv) performance frameworks in accordance with COMPASS are in place to measure the effectiveness of implemented programmes and activities.

Strategic and operational planning

10. UNHCR’s guidance on the requirements that underpinned strategic planning was uniform for all operations despite the varying contexts, sizes and funding of operations. The requirements were more relevant to operations that were involved in service delivery than the five Representations who had a greater focus on advocacy and technical support. For instance, participatory assessments to support the prioritization of needs of forcibly displaced persons was of lesser significance to advocacy operations.

11. Additionally, the resources available to Representations impacted their compliance with all the relevant requirements. This and the fact that some Representations thought the requirements did not apply to them resulted in them adapting their strategic planning processes to their unique contexts. For instance, the five Representations conducted needs assessments albeit with some limitations. They did not conduct comprehensive focus group discussions and in accordance with the recommended age, gender and diversity approach. Where conducted, e.g., in Germany and the United Kingdom, the focus group discussions only covered the refugees from Ukraine and mostly whether they intended to stay. In France, the needs assessments were limited in scope since they only covered Ukrainian refugees in 2022.

12. The information collected during the needs assessments was not always used to inform strategic planning and decision-making processes as intended. For instance, forcibly displaced persons in Croatia identified their primary need as local integration, but the Representation’s strategic priorities included other areas that were not in the needs assessment. The displaced persons in Bulgaria identified their key needs as health, education and accommodation, but the Representation did not have a plan on how these needs would be met. Consideration therefore needed to be given to including identified needs in advocacy plans with governments since they were primarily responsible for service delivery.

13. All Representations had prepared multi-year strategies, with some only becoming effective from 2024, and they listed the operations’ strategic priorities. These Representations had also identified in their risk registers the risks that needed to be mitigated for them to meet their strategic priorities. However, some Representations had not developed workplans to guide them on how their strategic priorities would be translated into action. For instance, some Representations identified advocacy and capacity building as strategic priorities but had not determined which activities were needed to create the desired impact.

14. Further, Representations needed advocacy plans to ensure that Global Compact for Refugees pledges as reflected in Table II were honored. At the time of the audit, the Representations in Germany and France had developed advocacy plans for the upcoming Global Refugee Forum.

Table II: Status implementation Global Compact for Refugees pledges by country

Pledge entity name	Fulfilled	In progress	Not yet followed up	Total
Bulgaria	2	4	-	6
Croatia	2	1	-	3
France	-	5	2	7
Germany	6	9	1	16
Great Britain and Northern Ireland	3	-	-	3
Total	13	19	3	35

Performance management

15. In line with corporate direction, all Representations were using COMPASS, UNHCR's new results-based management system for performance management. All operations were expected to collect data and report on UNHCR's 25 core indicators, which reflected the refugee situation in the country in areas such as access to education and health. However, because they were not involved in service delivery, the core indicators in COMPASS were largely irrelevant to the five Representations. Additionally, aggregate data for refugees was not tracked at government level and therefore, unavailable for the 25 core indicators. The Representations also did not have the resources to collect this data independently. In trying to resolve these issues, the Bureau agreed to have the Representations use available related data, but this came with the risk that it may not reflect the situation in the respective countries.

16. Further, the performance framework did not always measure Representations' performance in the core activities they were conducting. For example, while the five Representations did a lot of advocacy and fundraising, indicators and targets included in COMPASS did not effectively measure progress and the extent of achieving success. Also, the performance framework for the Representation in the United Kingdom did not have indicators to measure the reduction of the refugee status determination backlog which was one of its strategic objectives.

17. The situation above also brought into question the reasonableness of targets and reliability of results reported in the performance frameworks against mandatory impact and outcome indicators. For instance, the targets against set output indicators for the Representation in Croatia could not be reconciled to its workplans and evidence was not available to support some of the reported outputs. Partners' output indicators and targets in France, Bulgaria and the United Kingdom were not linked to the ones in COMPASS, which raised questions about their contribution to the achievement of the Representation's strategic objectives. In Bulgaria, the performance results reported by the partner could not be agreed with what was reported in COMPASS. The result reported by the Representation in Germany regarding counsellors reached through the information platform was based on the number of website visits, which was not necessarily related to the number of counsellors.

18. The Representations in France and Croatia also did not analyze reasons for not meeting set targets and thus did not address the root causes. Both countries had areas of under and over performance which should have been analyzed and targets adjusted to ensure effective resource allocation.

19. These issues all had implications for the reliability of information that was reported in COMPASS. It also meant that mechanisms for measuring Representations' performance and their effectiveness in implementing programmes were inadequate.

- (1) The UNHCR Regional Bureau for Europe should in coordination with the Division of Strategic Planning and Support assess organizational requirements for strategic planning and performance measurement, in particular the adequacy and relevance of the participatory needs assessment and the 25 core indicators in COMPASS for small operations not involved in service delivery.**

UNHCR accepted recommendation 1 and stated that the Regional Bureau for Europe has partially implemented it through the 2023 Annual Results Report.

- (2) The UNHCR Regional Bureau for Europe should ensure that the Representations in Bulgaria, Croatia, France, Germany and the United Kingdom have work plans to direct their key programme activities and support the strengthening of collection and reporting of performance data in these countries.**

UNHCR accepted recommendation 2 and stated that the Regional Bureau for Europe will follow-up with and support operations to ensure the 2024 Assessment, Monitoring and Evaluation Plan is duly completed and can be used by operations to track progress.

B. Fair protection process/access to asylum

Need to develop capacity building plan based on needs assessment and evaluations of past trainings

20. The host governments were responsible for implementing asylum systems in the five operations. UNHCR’s responsibility was to supervise the application of the provisions of the 1951 Refugee Convention. In this regard, depending on their operational contexts, Representations were expected to monitor the quality and timeliness of asylum processes and take steps to advocate for any identified bottlenecks or delays to be addressed.

21. The Representations prioritized fair protection/access to asylum in their multi-year plans. For example, the Representations in France, Germany and the United Kingdom had agreed work plans with the respective governments to review certain aspects of the asylum systems, such as reception conditions and the lesbian, gay, bisexual, transgender, and queer cases. Related programmes in Croatia and Bulgaria involved monitoring of borders for access to asylum and/or visits to detention centers for asylum seekers. The Representation in the United Kingdom had questioned changes in asylum law up to litigation in court.

22. Most Representations had conducted quality assurance exercises to identify key gaps in the asylum systems, although these were last done in 2020/2021 and thus needed to be updated. The Representations discussed and agreed the selected topics for review of the asylum systems with government counterparts. However, the basis for identifying areas to prioritize considering the resource constraints was unclear. Thus, the audit could not confirm that prioritized areas would create the greatest impact and/or address the needs of the most vulnerable or those displaced persons most at risk. Further, the work of the Representation in Croatia was impacted by restricted access to refugee status determination files in 2022/2023. Discussions were underway with the authorities to resume quality assurance activities in the first quarter of 2024.

23. The number of pending asylum cases was high and increasing across most of the countries as shown below. The audit noted that some Representations did not have advocacy plans, and where in place, they did not adequately address the increasing number of pending asylum cases as reflected in Table III:

Table III: Status of pending asylum claims at end of 2021 and 2022

Governments	2021	2022
Bulgaria	7,556	11,185
Croatia	577	1,215
France	49,500	47,000
Germany	Not available	136,448
Great Britain and Northern Ireland	81,978	132,182

24. Additionally, all five Representations held trainings with various government officials on core asylum principles. Despite the hundreds of government officials trained by UNHCR staff in all five countries, the Representations had not assessed the adequacy and effectiveness of this support in addressing capacity issues. There was a need for capacity building plans to be informed by needs assessments and training evaluations.

25. The above issues were due to gaps in ensuring that resources are directed to those areas that would be most effective in improving national asylum systems. If unaddressed, this may impact forcibly displaced persons access to asylum in a timely manner in the five countries.

(3) The UNHCR Regional Bureau for Europe should support the Representations in implementing the fair protection/access to asylum activities, to reflect the following in their country-level strategies: (a) developing capacity building plans, where appropriate, informed by needs assessment and evaluations of past trainings; and (b) implementing measures to address challenges related to refugee status determination in countries, where applicable.

UNHCR accepted recommendation 3 and stated that the Representation in Bulgaria has progressed in the implementation through the proposed workplan to the relevant state agency, including a capacity strengthening programme for case workers in Sofia and in the provinces. The proposal includes conducting needs and impact assessments in 2024. The Representation in Bulgaria is also in the process of redesigning the asylum quality monitoring system and the annual assessments.

C. Resource mobilization

Need to further clarify Representations' roles and responsibilities regarding resource mobilization and country fundraising

26. The Donor Relations and Resource Mobilization Service (DRRM) of the Division of External Relations took the lead in the engagement with governments of large donor countries, i.e., Germany, France and the United Kingdom. The Representations in these countries supported these global fundraising efforts through the engagement with parliamentary committees and ministries in charge of funding and support. All countries had identified strategic objectives concerning resource mobilization in their operation plans and implemented some related activities.

27. Most Representations had or were in the process of developing strategies for resource mobilization. At the time of audit, the Representations in Croatia and Bulgaria had resource mobilization strategies, but these were yet to be operationalized. The Representations in France, Germany and the United Kingdom had strategic donor engagement plans (one in draft) to direct their advocacy efforts with governments and these had been developed in conjunction with DRRM and the Regional Bureau. There was a need for all countries to have plans to guide them on securing, sustaining and safeguarding additional funding for their operations as well as exploring ways of diversifying the donor base for UNHCR.

28. UNHCR's Roles, Accountabilities and Authorities (RAAs) gave Representations, Regional Bureau and Headquarter Division a shared responsibility over resource mobilization. All Representations reviewed said that their activities differed from what was reflected in the RAA. For instance, while the RAAs stated that Representations should identify fundraising opportunities and diversify donor bases, including from the private sector, all the Representations audited noted the responsibility for private sector fundraising rests with the Division of External Relations. Most saw their role only as being engaging with private sector actors about refugee inclusion and ensuring consistent public communication where applicable. For identifying fundraising opportunities, Representations in Germany, France and the United Kingdom said that it did not apply to them except for supporting the global government fundraising effort led by the Division of External Relations.

29. There was a need to clarify the shared resource mobilization goal among the Representations, Regional Bureau and Headquarter Division. In line with the clarified roles, the Representations should have

strategies or plans developed in collaboration with the DRRM detailing planned activities and expected deliverables. If not addressed, accountability would remain diffused and could lead to not achieving the Bureau or country objectives regarding external engagement, donor relations and fundraising.

(4) The UNHCR Regional Bureau for Europe, in cooperation with the Division for External Relations, should define roles and responsibilities and agree plans for resource mobilization and fundraising in Bulgaria, Croatia, France, Germany and the United Kingdom.

UNHCR accepted recommendation 4 and stated that the Representations in Croatia and Bulgaria already have resource mobilization strategies and are in the process of developing workplans. The Regional Bureau of Europe and the Donor Relations and Resource Mobilization Service will engage with France, Germany and the UK to address this recommendation. The existing roles and responsibilities document will be further elaborated.

D. Financial, procurement and partnership management

Need for the Bureau to monitor and address risks in financial and partnership management

Financial management

30. Considering the limited staff resources, the five Representations faced challenges in effectively segregating financial management duties. For example, the Representation in France had different steps in the approval process all done by the same person. In the Representations in Croatia and France, a general service staff was given the payment approval role which is normally assigned to senior professional staff. The United Kingdom Representation had the same person performing two roles that should have been segregated. This was due to the limited number of staff in these operations.

31. None of the five Representations had back-up options for functions that were performed by staff, and this resulted in staff processing approvals while on leave. In instances where segregation was impossible due to staffing issues, Bureau staff could have but did not take on approval roles of these small operations. The inadequate segregation of duties increased the risk of errors and/or irregularities going undetected.

32. The Representations in France, Germany and the United Kingdom also had receivables totaling \$853,000 primarily arising from pending recovery of Value Added Tax (VAT). The Representations in Germany and the United Kingdom had submitted claims for reimbursement of their VAT receivables. However, the Representation in France was yet to submit its claims to the government totaling \$312,000, most of which had fallen due from October 2022. The Representation in France attributed the delay in submitting claims to having insufficient finance staff capacity but noted that the funds would not be lost since entities had up to two years to claim VAT. The Bureau needed to provide necessary support to recover the funds especially considering the current financial situation.

33. Both the Representations in France and the United Kingdom paid interns food and transportation allowances totaling \$80,000 but did not have documentation to support the payments made. For example, payments sampled in France did not have timesheets to evidence attendance. The Representation in the United Kingdom did not have details of the beneficiaries of the payments nor the person who effected the payments.

Procurement and affiliated workforce

34. The Representation in France selected and contracted judges for the French National Court of Asylum¹ in the amount of \$2.1 million in the period under review. While the costs were charged to consultant expenses, standard control frameworks were not followed. For instance, the contracts did not follow the standard contract templates for consultants, compensation arrangements were different from existing guidance, and the terms of reference did not include targets against which performance would be measured. The Representation explained that the French law was followed for this arrangement and prevailing judges' compensation conditions were applied. It, however, did not seek exemption from applicable UNHCR rules.

35. The Representation in Croatia also hired a service provider and two consultants at a total cost of \$33,000 without following the required competitive process for selection. It also did not submit for approval the required waiver to the Bureau Director as required by the rules. The Representation in Germany conducted four procurements totaling \$40,000 without obtaining at least three quotes; in one case, no quotes were obtained. The procurements sampled in the United Kingdom included \$22,000 for translation, video and advertising services that did not follow competitive bidding. As a result, there was a risk that the Representations had not obtained value for money from these procurements.

Partnership management

36. The Representations in Bulgaria and Croatia conducted a comprehensive selection process for partners in 2023 and 2021 respectively. However, Representations in Bulgaria, Croatia and France needed to strengthen their retention, management and/or monitoring of implementing partners as below:

- The Representation in Croatia recommended the retention of a partner based on good performance although the partner had not met targets for two of three indicators despite utilizing all the budget. This reflected gaps in assessing partners' performance.
- The Representations in France and Bulgaria did not follow-up recommendations made in monitoring reports. As a result, identified weaknesses during monitoring visits related to procurement, financial management and programme performance were not addressed in a timely manner.
- Monitoring in the Representation in Croatia was done by one person when a multi-functional team approach was the recommended practice.
- In the United Kingdom, the project partnership agreements did not have performance targets against which partner performance would be monitored.

37. In addition to staff constraints, there was a need for the Bureau to increase its monitoring and oversight to ensure compliance in financial, procurement and partnership management.

(5) To strengthen cost-effective programme implementation and safeguard resources, the UNHCR Regional Bureau for Europe should reinforce controls over financial, procurement and partnership management arrangements for operations in Bulgaria, Croatia, France, Germany and the United Kingdom.

UNHCR accepted recommendation 5 and stated that the Representation in Bulgaria has commenced its implementation and will continue to closely monitor partners implementation by the multi-

¹ The National Court of Asylum, formerly called “*La commission des recours des réfugiés*” is a refugee status determination (RSD) appeal court founded in 1952 to which UNHCR appoints judges who sit in collegial hearings and make RSD decisions.

functional team and provide capacity building on financial, procurement and partnership management to partners. A closer review of the 2024 proposals from partners will ensure cost efficiency and controls over financial, procurement and partnership management arrangements. Country level Standard Operating Procedures direct implementation are being developed.

E. Meeting basic needs in Bulgaria

Gaps in the planning, management, distribution and monitoring of non-food items (NFIs)

38. The Representation in Bulgaria supported 11,924 refugees and asylum seekers with NFIs totaling \$612,527 in the period under audit and as part of the Regional Bureau's response to the Ukraine emergency. However, the Bureau's decision to implement NFIs and cash assistance in 2022 was not informed by needs assessment and thus resulted in the rejection of some items by refugees.

39. The Representation did not have clear beneficiary selection criteria to ensure that the most vulnerable were identified and targeted. It also did not have distribution lists that identified the refugees that would benefit from the NFIs but had signed forms by those that received the assistance. Further, the audit could not reconcile the issuances from warehouses to distributions. The Representation also did not conduct periodic reconciliations between quantities distributed to beneficiaries, quantities in stock of each item, and the amounts received from/returned to the warehouse. Consequently, the Representation could not properly account for NFIs under its stewardship.

40. The Representation did not have reports to evidence its on-site monitoring of NFIs distributions in accordance with operational guidelines. Additionally, the Representation did not conduct the mandatory post-distribution monitoring of NFIs to collect information regarding the adequacy and effectiveness (quality, sufficiency and utilization) of NFIs as a modality of service delivery in mitigating protection risks.

41. The above issues reflected gaps in Representation's planning, management, and monitoring of the NFIs as a modality of service delivery to forcibly displaced persons. This impacted its ability to provide assurance that the NFIs reached the intended beneficiaries and created the desired impact. In March 2023, the Representation in Bulgaria decided to stop distributing NFIs. Therefore, no recommendation has been raised. Also, OIOS has raised related recommendations on improving controls over NFI distributions in the region under the audit of the Ukraine situation in its report AR 2023-045 issued on 25 September 2023.

Need to strengthen controls over cash-based interventions (CBIs) targeting and beneficiary identification

42. In support of the response to the Ukraine refugee crisis, the Representation in Bulgaria provided cash assistance to 2,312 vulnerable households registered under temporary protection status totaling \$1,141,062 in the period under review. The cash assistance programme included a one-time payment for protection totaling \$451,337 and a one-time payment for winter support totaling \$461,227. The OIOS audit of the management of CBI in UNHCR response to the Ukraine crisis (AR 2023-043) covered the payments part and this audit focused on cash beneficiary identification and assessment processes.

43. CBI beneficiaries were identified through referrals by UNHCR protection assistants, partners and other United Nations agencies. UNHCR designed referral forms in the KoBo tool², which referees used to register households, with 37 per cent of the 4,765 cases referred by the implementing partner. However, there was inadequate segregation of duties in the tasks conducted by this partner that identified potential beneficiaries, reviewed them for eligibility through the interviews, and made referrals for support. There

² KoBo is a toolkit for collecting and managing data in challenging environments especially humanitarian emergencies.

was no evidence that the Representation oversaw these processes. Best practice requires that those assessing whether the cases were eligible to receive cash are different from those who initially identified or completed the referral forms to avoid conflicts of interest.

44. During registration, the primary identification used was the temporary protection registration numbers issued by the government. However, the audit identified 149 beneficiaries on CBI beneficiary list in ProGres³ whose temporary protection registration numbers were not on the case referral list. The Representation attributed this to an entry error in the KoBO tool and this raised the risk of making duplicate registrations. The Representation began in 2023 to conduct cross-verifications of beneficiaries with government data obtained through a data-sharing agreement, and therefore no recommendation is made in this regard.

45. The active CBI beneficiary list in ProGres had 2,861 beneficiaries, 1,488 (52 per cent) of whom were eligible for support because of a serious medical condition. Per the SOPs in place, official documents were required to support such cases; however, such documentation was not always retained at the Representation due to data privacy concerns. The audit therefore could not independently verify that beneficiaries classified as having medical conditions qualified under set eligibility criteria due to lack of an audit trail. The Representation has however designed a new CBI SOP on eligibility determination to address some of the weaknesses identified in the audit.

46. From the list extracted from ProGres on the eligible beneficiaries, 465 beneficiaries were eligible under the category of disability. However, there was no description given for the type of disability for 86 beneficiaries out of the 465 beneficiaries as required by the SOPs. Further, the SOPs required disability to be supported by official documents or doctors' recommendations. However, in the absence of psychological assessments for disabilities indicated in ProGres, the audit questioned how conditions such as 'remembering and concentrating' and 'emotions and behaviour,' were diagnosed by partner staff.

47. The CBI SOPs made provisions for sensitive cases to receive cash assistance over and above the set maximum threshold. Fifteen households were eligible for cash on this criterion; however, these cases were identified by the protection focal point instead of a panel of staff as dictated by best practice.

48. The above issues were attributed to challenges in the Representation having to quickly start responding to influxes and indicated the need to strengthen its operational capacity to effectively manage the CBI processes.

(6) The UNHCR Representation in Bulgaria should take necessary measures to strengthen its operational capacity for effective management of Cash-based Intervention (CBI) in compliance with UNHCR requirements.

UNHCR accepted recommendation 6 and stated that the Representation in Bulgaria considers that it is partially compliant with UNHCR requirements regarding: (i) targeting and beneficiary selection process which underwent revision in 2023; (ii) post-distribution monitoring which was conducted in 2023 with findings analyzed and used to inform revisions in the programme; and (iii) updating of the enrolment standard operating procedures to enhance and ensure robust related processes. It is also in the process of (i) ensuring operational data management deployment and staffing, with the support of the RBE; (ii) enhancing monitoring and on the job-training for partner staff within available staffing limitations; (iii) enhancing complaint and feedback mechanisms once the process of recruiting information management staff is concluded by the first half of 2024; and (iv) ensuring integrity and anti-fraud safeguards, including refreshers on the policy and SOPs in the second quarter of 2024.

³ ProGres is UNHCR's registration and case management system.

IV. ACKNOWLEDGEMENT

49. 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 Bulgaria, Croatia, France, Germany and the United Kingdom for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁴ / Important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
1	The UNHCR Regional Bureau for Europe should in coordination with the Division of Strategic Planning and Support assess organizational requirements for strategic planning and performance measurement, in particular the adequacy and relevance of the participatory needs assessment and the 25 core indicators in COMPASS for small operations not involved in service delivery.	Important	O	Receipt of evidence of strategic planning and performance assessment processes contextualized for small operations not involved in service delivery	30 September 2024
2	The UNHCR Regional Bureau for Europe should ensure that the Representations in Bulgaria, Croatia, France, Germany and the United Kingdom have work plans to direct their key programme activities and support the strengthening of collection and reporting of performance data in these countries.	Important	O	Receipt of work plans to direct their key programme activities and support the reporting of performance data in these countries	30 June 2024
3	The UNHCR Regional Bureau for Europe should support the Representations in implementing the fair protection/access to asylum activities, to reflect the following in their country-level strategies: (a) developing capacity building plans, where appropriate, informed by needs assessment and evaluations of past trainings; and (b) implementing measures to address challenges related to refugee status determination in countries, where applicable.	Important	O	Receipt of evidence of action plans to strengthen the support Representations provide to fair protection/access to asylum activities	30 September 2024
4	The UNHCR Regional Bureau for Europe, in cooperation with the Division for External Relations, should define roles and responsibilities	Important	O	Receipt of evidence of resource mobilization strategies and workplans that amongst other	30 June 2024

⁴ 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.

⁵ 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.

⁶ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁷ Date provided by UNHCR in response to recommendations.]

STATUS OF AUDIT RECOMMENDATIONS

Audit of operations in Bulgaria, Croatia, France, Germany and the United Kingdom for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁴ / Important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
	and agree plans for resource mobilization and fundraising in Bulgaria, Croatia, France, Germany and the United Kingdom.			things clarify the roles and responsibilities of the countries, bureau and DER	
5	To strengthen cost-effective programme implementation and safeguard resources, the UNHCR Regional Bureau for Europe should reinforce controls over financial, procurement and partnership management arrangements for operations in Bulgaria, Croatia, France, Germany and the United Kingdom.	Important	O	Receipt of evidence of actions taken to reinforce the controls over financial, procurement and partnership management arrangements for operations in Bulgaria, Croatia, France, Germany and the United Kingdom.	30 September 2024
6	The UNHCR Representation in Bulgaria should take necessary measures to strengthen its operational capacity for effective management of Cash-based Intervention (CBI) in compliance with UNHCR requirements.	Important	O	Receipt of evidence of an action plan to strengthen the Bulgaria Representation's operational capacity to effectively manage CBI in compliance with UNHCR requirements.	30 June 2024

APPENDIX I

Management Response

Management Response

Audit of operations in Bulgaria, Croatia, France, Germany and the United Kingdom for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical/ Important ⁸	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
1	The UNHCR Regional Bureau for Europe should in coordination with the Division of Strategic Planning and Support assess organizational requirements for strategic planning and performance measurement, in particular the adequacy and relevance of the participatory needs assessment and the 25 core indicators in COMPASS for small operations not involved in service delivery.	Important	Yes	Senior Programme Officer, Regional Bureau for Europe	30 September 2024	UNHCR Regional Bureau for Europe (RBE) confirms that this is partially implemented through the Annual Results Report 2023.
2	The UNHCR Regional Bureau for Europe should ensure that the Representations in Bulgaria, Croatia, France, Germany and the United Kingdom have work plans to direct their key programme activities and support the strengthening of collection and reporting of performance data in these countries.	Important	Yes	Senior Programme Officer, Regional Bureau for Europe	30 June 2024	RBE will follow-up with and support operations to ensure the 2024 Assessment, Monitoring and Evaluation Plan is duly completed and can be used by operations to track progress.
3	The UNHCR Regional Bureau for Europe should support the Representations in implementing the fair protection/access to asylum activities, to reflect the following in their country-level strategies: (a) developing capacity building plans, where appropriate, informed by needs assessment and evaluations of past trainings; and (b) implementing measures to address challenges related to refugee status determination in countries, where applicable.	Important	Yes	Senior Protection Coordinator, Regional Bureau for Europe	30 September 2024	UNHCR Representation in Bulgaria (RIB) has progressed in the implementation through the proposed workplan to the relevant state agency, including a capacity strengthening programme for case workers in Sofia and in the provinces. The proposal includes learning needs assessment and impact assessment in 2024. Case assessment has been processed in 2023, and through a partner regularly monitors the quality of the asylum

⁸ 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/ Important⁸	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						procedures. UNHCR RIB is in the process of redesigning the asylum quality monitoring system and the annual assessments.
4	The UNHCR Regional Bureau for Europe, in cooperation with the Division for External Relations, should define roles and responsibilities and agree plans for resource mobilization and fundraising in Bulgaria, Croatia, France, Germany and the United Kingdom.	Important	Yes	Senior External Engagement Coordinator, Regional Bureau for Europe	30 June 2024	UNHCR Representations in Croatia and Bulgaria already have resource mobilization strategies and are in the process of developing workplans. RBE and DRRM will engage with France, Germany and the UK to address this recommendation. The existing roles and responsibilities document will be further elaborated.
5	To strengthen cost-effective programme implementation and safeguard resources, the UNHCR Regional Bureau for Europe should reinforce controls over financial, procurement and partnership management arrangements for operations in Bulgaria, Croatia, France, Germany and the United Kingdom.	Important	Yes	Senior Programme Coordinator, Regional Bureau for Europe	30 September 2024	UNHCR Representation in Bulgaria has commenced the implementation and will continue to closely monitor partners implementation by multi-functional team (MFT), and provide capacity building on financial, procurement and partnership management to partners. A closer review of the 2024 proposals from partners will ensure cost efficiency and controls over financial, procurement and partnership management arrangement. Country level Standard Operating Procedures direct implementation are being developed.
6	The UNHCR Representation in Bulgaria should take necessary measures to strengthen its operational capacity for effective management of Cash-based Intervention (CBI) in compliance with UNHCR requirements.	Important	Yes	Field Officer, UNHCR Representation in Bulgaria	30 June 2024	Throughout the audit process, UNHCR Representation in Bulgaria has diligently presented substantial evidence showcasing compliance and notable enhancements in the cash program during Level 2 Emergency response in 2022, up until its current configuration.

Rec. no.	Recommendation	Critical/ Important ⁸	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>While the Representation expresses disagreement with certain audit findings, particularly stemming from disparities in perspectives regarding the execution of protective measures, encompassing data protection, and safeguards, citing deviations from UNHCR standards that it believes were not adequately considered in the audit, considering the emergency response guidelines, it acknowledges the feedback as a valuable opportunity for ongoing process refinement.</p> <p>In this respect, the Representation is in the process of i) continuing efforts to ensure operational data management deployment and staffing, with RBE support; ii) enhancing monitoring and on the job-training for partner staff within available staffing limitations; iii) enhancing complaint and feedback mechanisms once the process of recruiting information management staff is concluded by the first half of 2024; and ensuring integrity and anti-fraud safeguards, including refreshers on the policy and SOPs in the second quarter of 2024.</p> <p>Additionally, the Operation considers that compliance with UNHCR requirements have been partially in place, noting that 1) targeting and beneficiary selection process have</p>

Rec. no.	Recommendation	Critical/ Important ⁸	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						<p>undergone revision in 2023, and the improved processes have been in place, 2) post-distribution monitoring were conducted in 2023 with findings analyzed, which informed revisions in the programme, and 3) enrollment standard operating procedures have been updated to enhance and ensure robust processes.</p> <p>Committing to a proactive stance, the Representation is committed to rectify any remaining gaps identified during the audit within the first half of 2024. This commitment underscores the organization's dedication to due diligence, continuous improvement and alignment with best practices.</p>