



# **INTERNAL AUDIT DIVISION**

## **REPORT 2024/011**

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### **Audit of the progress in implementing the Business Transformation Programme for the Office of the United Nations High Commissioner for Refugees**

**UNHCR needed to implement deferred functionalities and integrations at go-live, optimize implemented solutions and through continued modernization of key internal processes, systems and tools create efficiencies as envisaged in the Business Transformation Programme objectives**

**5 April 2024  
Assignment No. AR2022-160-01**

# **Audit of the progress in implementing the Business Transformation Programme for the Office of the United Nations High Commissioner for Refugees**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of the progress in implementing the Business Transformation Programme (BTP) for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the BTP was on track to achieve the intended objectives of modernizing and simplifying UNHCR processes, systems and tools. The audit covered the implementation of the six BTP projects from January 2020 to June 2023 and included: (a) system design and analysis; (b) scope management; (c) data architecture and management; (d) post go-live production support; (e) change and communication management; (f) programme and project management; (g) budgeting; and (h) lessons learned. This report represents both overarching findings on the BTP and those unique to the six projects under the BTP.

UNHCR selected and implemented the best-of-breed and proven software technologies for the six BTP projects, which have all gone-live by the end of 2023. However, since UNHCR chose to purchase vendor systems for its BTP projects, labor-intensive workarounds were needed to customize these systems for UNHCR specific needs. The difficult customization was compounded by challenges in mapping and/or reengineering business processes, and the effectiveness of six BTP projects at go-live was negatively impacted by the descoping or deferring of important functionalities to post-go live, as well as unresolved integration and data issues. Implementing multiple, interdependent projects simultaneously added to the complexity in implementing the BTP.

OIOS made 11 important recommendations. To address issues identified in the audit, UNHCR needed to:

- Ensure that business process maps are documented to support future software updates and process improvements; and assess the practicality of post-facto business process reengineering.
- Implement the functionalities deferred at the time of go-live in a timely manner.
- Ensure that master data management related to the BTP is considered in the related overall guidance of UNHCR.
- Strengthen controls over the reliability of personnel data by resolving issues related to position management and business process flow between Workday and COMPASS.
- Develop and implement a framework for user management and access controls across the newly implemented systems in UNHCR.
- Ensure continuous improvement of implemented software by strengthening the visibility and timely identification and resolution of issues.
- Develop a plan to address the impact of ongoing BTP system, business and process changes on the workforce.
- Ensure management of BTP projects include benefits realization assessments and quality reviews of implemented systems.
- Review the standards for budgeting and monitoring costs and in coordination with the project teams ensure the availability of reliable data on project and programme costs.
- Plan for the optimal use of the Synergy system so the heavy investment in the system is justified.
- Use the lessons learned from the implementation of the six BTP projects to update the Project Management Lifecycle handbook.

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

# CONTENTS

I. BACKGROUND	1-2
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	2-3
III. AUDIT RESULTS	3-17
A. System design and analysis	3-4
B. Scope management	5-6
C. Data architecture and management	6-9
D. Post go-live production support	9-10
E. Change and communication management	10-12
F. Programme and project management	12-15
G. Budgeting	15-17
H. Lessons learned	17
IV. ACKNOWLEDGEMENT	17

ANNEX I Feedback received from the users of Workday and COMPASS

ANNEX II Status of audit recommendations

APPENDIX I Management response

# **Audit of the progress in implementing the Business Transformation Programme for the Office of the United Nations High Commissioner for Refugees**

## **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the progress in implementing the Business Transformation Programme for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. The Business Transformation Programme (BTP) was introduced in 2020 as part of UNHCR's transformation agenda launched by the High Commissioner to make the organization more agile, efficient, inclusive, and collaborative. The transformation consists of eight streams, namely: (a) decentralization and regionalization; (b) global compact on refugees; (c) data and digitalization; (d) results-based management; (e) enterprise risk management; (f) business processes and systems; (g) United Nations reform; and (h) people management and human resources (HR). The BTP is expected to modernize and streamline systems, tools and processes that will drive the improved efficiency, effectiveness, accountability, and transparency that governments and other stakeholders expect and that forcibly displaced persons deserve.

3. UNHCR developed three guiding documents/frameworks to manage the programme, namely: (i) a Project Management Lifecycle (PMLC) methodology/handbook that defined the standards for the start-up, initiation, planning, execution, closure, and post-project phases; (ii) a framework for managing transformation at UNHCR, including the functions and composition of the Transformation Governance Board (TGB); and (iii) the BTP framework, which covered the structure and roles of the Programme Executive Committee (PEC) and Programme Management Office (PgMO<sup>1</sup>). The estimated number of UNHCR staff and affiliates impacted by the programme as of 27 March 2023 was 21,465. The total budget including PgMO activities was \$109 million.

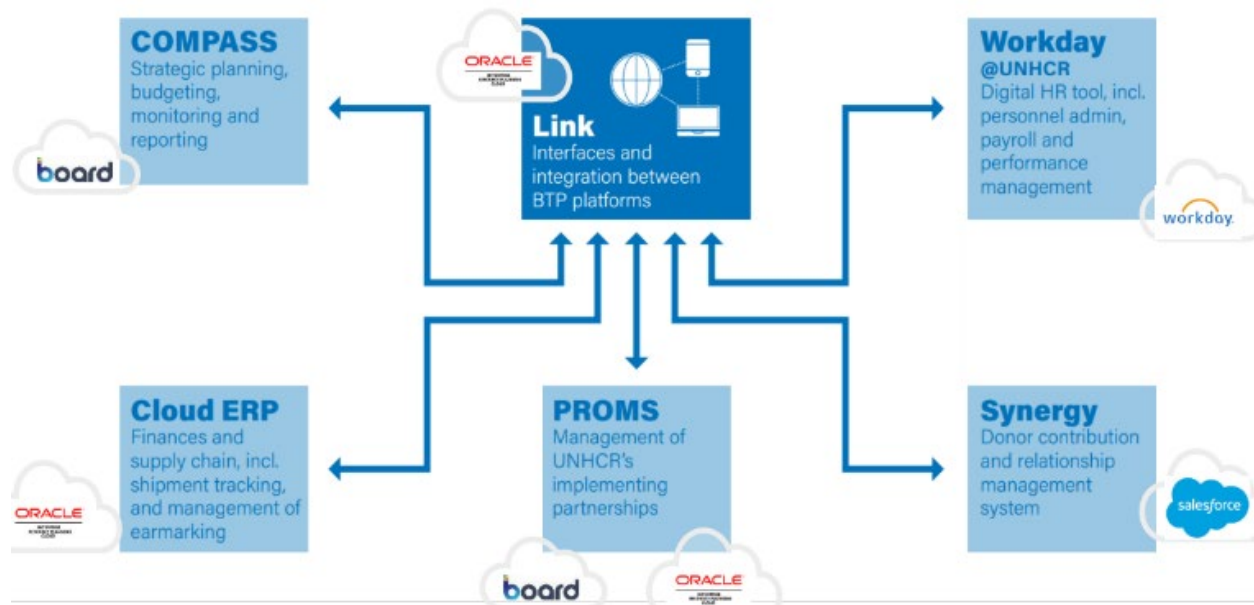
4. To deliver the BTP, UNHCR adopted Software-as-a-Service (SaaS)<sup>2</sup> cloud-based platforms in implementing the six projects and two related projects (Workday and COMPASS realignment projects). The technologies employed were: (i) Workday for human resources; (ii) Oracle Cloud Enterprise Resource Planning (ERP) for finance and supply chain; (iii) Salesforce (Synergy) for donor contributions and relationship management; (iv) Board (COMPASS) for strategic planning, budgeting, monitoring and reporting; (v) Project Reporting, Oversight and Monitoring Solution (PROMS) using Oracle Aconex, Oracle ER Cloud and COMPASS for implementing partners; and (vi) Oracle Integration Cloud (Link) for application interfaces and integrations across platforms and business intelligence and data warehouses. Additionally, the realignment projects were necessary to align the COMPASS and Workday systems which predated the BTP to Cloud ERP and other dependent solutions. These six projects are shown in the figure I below:

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<sup>1</sup> The PgMO was closed in December 2023.

<sup>2</sup> Software as a service (SaaS) is a software distribution model in which a cloud provider hosts applications and makes them available to end users over the internet.

**Figure I: Six BTP main projects**



5. Table 1 below reflects the six BTP projects as well as the COMPASS realignment project along with their planned and actual go-live dates:

**Table 1: Go-live dates for BTP projects**

	<b>Project</b>	<b>Areas covered</b>	<b>Initial go-live date</b>	<b>Go-live date</b>
1	COMPASS	Results based management	Quarter 1 2021	8 February 2021
2	Workday	Human resource management	Quarter 2 2022	10 October 2022
3	Cloud ERP	Finance and supply chain	Quarter 1 2023	18 September 2023
4	PROMS	Partnership management	Quarter 1 2023	8 November 2023
5	Link	System integrations/interfaces	Quarter 1 2022	10 October 2022
6	Synergy	Donor relationship and contribution management	Quarter 1 2023	15 November 2023

6. UNHCR determined that the BTP projects would be governed under a programme framework that brought all six projects together. The governance structure comprised of a Project Steering Committee (PSCs) for each project, under the leadership of the relevant Division Director. Project decisions were delegated to individual projects.

7. Comments provided by UNHCR are incorporated in italics.

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

8. The objective of the audit was to assess whether the BTP was on track to achieve the intended objectives of modernizing and simplifying UNHCR processes, systems and tools. The audit covered the management of the implementation of all six projects under the BTP.

9. This audit was included in the 2022 risk-based work plan of OIOS due to the high risks associated with management of implementation of multiple, interdependent BTP projects simultaneously, e.g., in meeting the overall objectives, and the scope, costs and timeliness of delivery.

10. OIOS conducted this audit from March 2023 to June 2023 and covered the BTP implementation period from January 2020 to June 2023. Based on an activity-level risk assessment, the audit covered higher and medium risks in the following areas: (a) system design and analysis; (b) scope management; (c) data architecture and management; (d) post go-live production support; (e) change and communication management; (f) programme and project management; (g) budgeting; and (h) lessons learned.

11. The audit methodology included: (a) interviews with key personnel, (b) review of relevant documentation, (c) analytical review of data, (d) sample testing of programme and project activities, and (e) survey of users of COMPASS and Workday. The audit also considered related work conducted by UNHCR's Inspector General's Office and the United Nations Board of Auditors.

12. The audit was conducted at a time when four of the six projects were undergoing integration testing and User Validation Testing (UVT) in preparation for go-live. OIOS had issued preliminary findings to UNHCR to ensure that identified risks were considered and mitigated prior to the go-live date.

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

### **III. AUDIT RESULTS**

#### **A. System design and analysis**

14. Robust system analysis and design ensures that software solutions and related underlying infrastructure support the achievement of UNHCR's BTP objectives. It involves the gathering and validation of requirements and defining the architecture, data sources, interfaces, integrations and modules necessary for an effective solution.

##### **Business process mapping**

15. UNHCR selected the best-of-breed and proven software technologies for the six BTP projects based on a study conducted by an external partner. However, except for COMPASS and PROMS, no end-to-end mapping of business processes and related dependencies was conducted at the onset of individual projects. This negatively impacted identification of gaps between the adopted software solutions and underlying infrastructure and UNHCR processes during its design stage. For instance, the Workday payroll module met only 75 per cent of UNHCR's specific process needs and thus system and/or processes gaps had to be addressed through reconfiguration, additional testing and workarounds. The audit noted that 31 HR processes required workarounds and an alternative system had to be acquired post Workday go-live date for the medical insurance scheme.

16. Because process mapping was done after systems were implemented for four of the six projects, and was not systematic, the business transformation was driven by the new systems instead of by organizational processes. As a result:

- There was no basis for assessing the relevance, adequacy and effectiveness of selected solutions in achieving BTP objectives;
- UNHCR was unable to identify deficiencies between business requirements and deployed solution and thus lost visibility of the in-house processes that needed to be customized and/or added on. The fit-gap analyses conducted during procurement technical evaluations were inadequate since they did not cover processes and workflows;

- System requirements were not classified into must-have, nice-to-haves or optional to allow focus on the delivery of critical and important functionalities. Thus, once there were delays in project implementation, the basis for prioritizing or deferring functionalities at go-live was unclear; and
- Functional and cross-functional requirements, data flows and integration points for the multiple projects and platforms to support process improvements were not identified, and related redundancies and inefficiencies eliminated.

### **Business process re-engineering**

17. The BTP was meant to provide a platform for business process re-engineering that would drive efficiencies through modernization, simplification and streamlining of systems, tools, and processes. However, no documentation of baseline processes was available and thus UNHCR could not determine the extent of business re-engineering needed or conducted to eliminate redundant processes and ensure efficiency. The limited application of business process re-engineering at the design phase impacted the modernization and simplification agenda. Interviewed users of COMPASS and Workday systems (see Annex 1) noted that deployed systems brought some improvements but did not simplify processes.

### **Testing of system functionalities**

18. Tests of solutions were run prior to all the systems going live to ensure that solutions met expected requirements and were free of defects. However, user validation scenarios that should have ensured that system configurations match user/functional requirements were only documented as the projects progressed. Thus, optimal functional and technical solutions were not defined as a basis for identifying gaps in system functionality and performance. Additionally, delays in the functional design document sign-off resulted in the extension of build and test timelines. This impacted the testing of core system functionalities since System Integration Testing (SIT) timelines overlapped with the original User Validation Testing (UVT) as was noted for Cloud ERP. This presented a significant risk to the quality of the solution and impacted the overall effectiveness of the system once it went live.

19. Gaps in the planning and analysis phase were evident in some limitations noted in the systems once solutions were deployed. For instance, not all functionalities listed in project initiation documents were operational when the Cloud ERP, Workday and COMPASS solutions went live. This resulted in workarounds and additional work for processors.

- (1) To achieve the Business Transformation Programme objectives, UNHCR’s Division of Information Systems and Telecommunications, in collaboration with the respective Divisions, should: (a) ensure that business processes are mapped to support future periodic software updates and process improvements; and (b) assess the practicality of post-facto business process reengineering and advise the Transformation Governance Board on consequences and a way forward.**

*UNHCR accepted recommendation 1 and stated that (a) a business processes catalog had been created to support periodic cloud releases and process improvements; and (b) at the start of the projects, it was assessed that the organization would adopt best of breed cloud solutions and standard processes as far as possible rather than re-engineer processes. However, unique processes to UNHCR such as travel have been assessed and re-engineered. The TGB will be informed of this assessment.*



## **B. Scope management**

### Need to assess the impact of descoped or deferred functionalities in Cloud ERP, COMPASS, Link and Workday

20. While changes in project scope are not uncommon in IT projects, they often reflect gaps in project planning that must be managed effectively. Control mechanisms must be instituted to ensure that significant changes to systems specifications are controlled to prevent scope creep, over-budget, and untimely implementations.

21. The Project Steering Committees (PSCs) systematically reviewed project scopes, schedules and budgets, with major changes escalated through the PEC to the TGB. The PgMO had a dashboard that provided information on changes in project-level decisions, schedules and actions. However, project scope changes that induced changes in cross-functional requirements, budgets and timelines were not readily discernable on the PgMO dashboard, and there was no clarity on how the changes with impact across multiple projects were approved. OIOS suggests that UNHCR consider updating the PMLC in this regard.

22. There were implementation changes across all six BTP projects related to adjustments to solution features, costs and timelines. These changes included the deferring of key project functionalities, which not only impacted individual BTP projects but also the whole BTP. For example, changes in the Cloud ERP go-live date had a knock-on effect on integration, validation and migration of data.

23. The BTP did not have defined go/no go criteria on what needed to be in place before systems such as the Cloud ERP project would go live. Production cutover criteria and business readiness items necessary to inform go/no-go decisions were developed and enhanced as new information on dependencies and prerequisites were identified. For instance, meetings to define the criteria for the go/no-go decision to Cloud ERP were held in July 2023 which was past the initial date set for go-live. This approach lent itself to scope deferral and cutting of testing activities to fit into go-live criteria, as was the case here. OIOS suggests that UNHCR consider updating the PMLC in this regard.

### **Cloud ERP**

24. Key Cloud ERP-dependent projects were always at varying positions in the planning/execution phases and thus not reasonably aligned with the Cloud ERP to guarantee success. Delays were caused by decisions related to project processes, integration, reporting, data migration design, and testing, as well as preparations for deployment. They led to scope deferrals, testing compromises, and consequently some sub-optimal deliverables. The lack of a defined critical path also impacted the identification of cross-platform integrations to identify those that would be part of go-live and those that could be reasonably delayed. Thus, decisions to defer some integrations to after go-live without impacting critical business functions were made on the go. For example, ticket booking integration could not be completed and was deferred to post Cloud ERP go-live date. Any decision to defer functionalities needed to be assessed for potential impact on the optimal deployment of Cloud ERP and its impact on other dependent solutions.

### **Workday**

25. The Workday solution was implemented with some limitations, with the missing functionalities and resultant workarounds creating additional work for processors. The Workday team attributed the functional gaps to delays during the configuration and testing phases that resulted in decisions to postpone non-critical configurations to post go-live to minimize costs. OIOS however noted that functionalities critical for the Workday project, such as workforce planning and people analytics, were yet to be

implemented. While the delay in implementing people analytics was attributed to the need for six months of data at the time of go-live, work on this was pushed to 2024, almost a year and a half after go-live. This reflected a planning gap since these functions were included in the project initiation document and should be part of a standard HR systems suite. However, because these functions were not rolled out as part of the initial Workday go-live, they would be implemented at an additional cost to UNHCR.

## COMPASS

26. The COMPASS solution had missing functionalities at go-live, e.g., resource allocation framework change requests, as well as contingency planning and related processes. These gaps reflected inadequate system design and analysis, and a comprehensive gap analysis should have been conducted before go-live and decisions made on whether to go ahead, delay or defer system functionalities. The missing functionalities were implemented through workarounds outside the system and there was an expectation that they would be resolved under the COMPASS realignment project.

## Link

27. The Link project provided the integration platform cross-system business intelligence and data warehousing, thereby ensuring the availability, completeness, and integrity of data sources and the ability to store, transform and analyze it across the different BTP projects. The Link project was heavily dependent on the other projects for process, data flows, and cross-functional integrations, and thus impacted by delays in process owners' defining their requirements. The baseline Link project initially had 94 integrations and this increased to 159 by April 2023. Due to time limitations, the Link scope was reduced as 28 integrations were de-prioritized and deferred to post Cloud ERP go-live dates, e.g., integration requirements, design and build and data and reporting requirements and training.

- (2) UNHCR's business divisions, i.e., the Divisions of Financial and Administrative Management, Strategic Planning and Results, Emergency, Security and Supply and Human Resources, in collaboration with the Division of Information Systems and Telecommunications should ensure that the deferred functionalities in Cloud ERP, COMPASS, Workday and Link are implemented to ensure their effectiveness.**

*UNHCR accepted recommendation 2 and stated that business divisions in collaboration with DIST will assess, plan and implement the deferred functionality as defined in the project closure reports.*

## C. Data architecture and management

### Need to finalize ongoing work on master data management

28. Control objectives for information and related technology (COBIT) require that organizations prepare a data quality strategy in alignment with business objectives and an overall data management strategy. A data quality strategy was critical for ensuring the accuracy, consistency, and integrity of data that came from different sources and was 'touched' by many people across the BTP landscape.

29. UNHCR did not have a data quality strategy in place, the need of which was evidenced in its self-identification of the need to: (i) conduct a thorough review of all master data records in the organization as well as cross-check data with legacy systems; (ii) validate the integrity of data relationships; and (iii) ensure data consistency across all modules.

30. Further, the UNHCR Global Data Service had not issued guidance to ensure that master data is managed in a manner that: (i) rationalizes disparate and overlapping data across the different systems, especially Workday, COMPASS and Cloud ERP; and (ii) mitigates the risk of having redundant and even conflicting information. For instance the ERP data migration strategy did not cater for control risks arising from master data on staff bank accounts being maintained in different systems, i.e., Workday (for payroll purposes) and MSRP (for payroll and other payments). The absence of proper master data management would potentially impact the integrity, accuracy, and completeness of data.

**(3) To ensure integrity, completeness, and accuracy of corporate data, the UNHCR Global Data Service, in coordination with the Division of Information Systems and Telecommunications, should ensure that the master data management related to the Business Transformation Programme is considered in the related overall organization guidance.**

*UNHCR accepted recommendation 3 and stated that GDS and DIST will consult relevant business owners and stakeholders in Headquarters to conceptualize an approach to master data management related to the BTP, as one of the efforts to strengthen the quality and interoperability of corporate data.*

Need to reinforce controls over position management data and payroll related costs

### **Integration issues between Workday and COMPASS**

31. Position planning and requests for approval for new/updated positions in UNHCR is executed and approved in COMPASS (data source) and then sent to Workday for master position management (data consumer). Gaps in the system integration affected the reliability of data in Workday and COMPASS regarding the numbers and costs for regular staff, temporary assistance and affiliated workforce. Since COMPASS had a summarized staff table and Workday had detailed position lists, there was a risk that positions would be raised in the latter without corresponding budgets in the former. For instance, the Niger country operation had 342 positions in COMPASS while Workday had 524. UNHCR did not provide documentation to evidence its reconciliation of staff numbers and cost data in the two systems.

32. The audit also identified the following instances where the data on staff was unreliable due to inconsistencies in position and HR-related information in Workday and COMPASS. UNHCR noted that work to resolve this was ongoing:

- Costing allocation and their validity in Workday were not synced with the information in COMPASS leading to discrepancy in reports by ABC.
- Temporary assistance charged to vacant positions could not be consistently identified due to a mismatch in child position tags.
- Position identifications could be used for more than one temporary assistant, leading to inconsistent budget and expenditure reporting by ABC.

33. DSPR also centralized the process for handling exceptions related to staff positions and budgets. However, it lacked the capacity to process the increased number of exceptions in a timely manner. UNHCR acknowledged that this remained an issue that they were trying to resolve through technical fixes and configuration. The audit also identified the following gaps in budget controls over temporary assistance, which if unaddressed raise the risk of costs exceeding budgets:

- More than 1,000 budget errors occurred when payroll journals were processed every month in response to inadequate budget checks for temporary assistance creations in Workday. Also, some 500-700 payments made monthly had wrong or missing chart fields.

- Twenty payroll payments were made to positions that were no longer valid. UNHCR noted that these payments related to staff who had left the organization, but it did not provide OIOS with documentation to support payment.
- Additionally, once positions were transferred from COMPASS to Workday, they could not be deleted, and this too had to be resolved manually.
- Payroll payments are checked against budget after salaries are processed and identified errors booked to a suspense account. In the absence of automated checks, the clearance of expenses booked to the suspense account was often delayed since budget and position errors required investigation and manual resolution and due to capacity gaps in the position management unit.
- Staff members in between assignments (SIBA) with an annual cost of \$26 million were wrongly charged to vacant positions and ABOD instead of staff budgets. This implied that SIBA came at no cost even though the organization funded these positions within their respective ABC.

**(4) To strengthen controls over personnel data and related costs maintained in Workday and COMPASS, the UNHCR Divisions of Human Resources and Strategic Planning and Results should: (a) address system integration gaps related to position management; and (b) strengthen budgetary controls around payment of temporary assistance.**

*UNHCR accepted recommendation 4 and stated that DHR is working with DSPR to close the gaps in position management. DHR has already implemented several validation rules within the position management business processes in Workday to strengthen budgetary controls. DHR continues to discuss ways it can also support DSPR with additional budgetary controls.*

Need to develop an overarching user management framework across the BTP projects

34. Control objectives for information and related technology (COBIT) specify that an organization should implement a division of roles and responsibilities that reduces the possibility for a single individual to compromise a critical process. Furthermore, the organization must ensure that its personnel are performing only authorized duties relevant to their respective jobs and positions.

35. At the time of the audit, UNHCR had not replaced or modified the Delegation of Authority Plan (DOAP) issued in 2006 to meet the changed operating environment after the roll out of Cloud ERP. Each system had its own access control and thus did not address scenarios where established role combinations presented potential conflicting roles across different systems (Cloud ERP, Workday, COMPASS) thereby compromising the segregation of duties.

36. There was therefore a need for an overarching framework covering all systems and their assignment to staff. Such a framework would: (i) rationalize roles provisioning and their assignment for different processes and staff members such as privileged access; (ii) define, create, assign, modify and disable custom roles; (iii) effectively use the delivered roles, particularly for the SaaS products such as Workday; (iv) establish role combinations to address potential conflicting roles across different systems; and (v) ensure staff accountability for actions within their area of responsibility.

**(5) UNHCR's business divisions, i.e., the Divisions of Financial and Administrative Management, Strategic Planning and Results, Emergency, Security and Supply, External Relations and Human Resources, in collaboration with the Division of Information Systems and Telecommunications, should develop and implement a framework on user / identity management and access controls across the systems in UNHCR.**

*UNHCR accepted recommendation 5 and stated that DIST in collaboration with the accountable divisions, will review the user and identity management access control and management reporting. A report providing user accesses across systems will be produced and shared.*

## **D. Post go-live production support**

### Need to strengthen the post-go live production support guidance

37. Post-go live support is essential until solutions enter a stabilization state. UNHCR's support model is three-layered, i.e.: (i) project-level for specific business requirements; (ii) business-as-usual support with managed service providers providing ongoing end-user production support; and (iii) a specialized cross-functional team (Tiger Team) that provided rapid response to specific critical issues.

38. There was a need to strengthen continuous improvement through the analysis of performance and making incremental changes to systems, so they remain relevant to changing business needs. For Cloud ERP and Workday, regular software updates were expected to drive continuous system improvement. Per the PgMO, annual end user surveys for COMPASS and Workday helped assess user satisfaction and identify areas for improvement in systems and processes. For instance, the second Workday survey helped management understand the evolution of users' perceptions, experiences, and attitudes since its launch. The utility of the survey would be enhanced if it also covered functional and/or technical system aspects and a plan developed on remediation actions that would be taken to address the issues raised by users.

### **Project level support**

39. Workday: Service requests were captured and monitored centrally for Workday. There were over 4,000 level 1 issues raised directly to the Workday team. It also registered 1,504 post go-live service requests between November 2022 and early April 2023; 87 per cent of which had been closed or resolved at the time of the audit. Workday also had over 400 requests for change since go-live, with over 300 still outstanding as of April 2023. However, users noted that although closed, some of the issues they raised were not resolved. Further, the Workday post go-live tracker indicated a considerable number of severe/critical issues remained open from the implementation. This reflected the lack of a strategy to support the prioritization and timely resolution of critical issues.

40. COMPASS: COMPASS registered 3,156 service requests between January 2022 and April 2023, 98 per cent of which were closed or resolved. However, data on COMPASS level 1<sup>3</sup> requests raised since go-live were not shared with the auditors for analysis.

41. Although UNHCR reported one P1 incident<sup>4</sup> since the COMPASS go-live date in 2021, an analysis of available data up to April 2023 showed that there were several system degradations which reflected performance issues and instability of the system. Additionally, users continually flagged challenges they faced in working with the system. DSPR performed an in-depth analysis of the performance shortcomings root cause in early 2022 and reconfigured and refactored some of the affected functional components. This analysis also concluded that further improvements would be needed to address residual performance issues related to the Board software. A recommendation is not raised in this regard since this will be covered in a post-implementation audit that OIOS will conduct in 2024.

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<sup>3</sup> Level 1 support is the first tier of support, usually provided by IT support personnel with the least experience, lower understanding of technical issues, and limited access to company information. Level 2 help mostly deal with in-depth troubleshooting and backend analysis. Level 3 support consists of subject matter experts that provide solutions for a wide variety of technical problems.

<sup>4</sup> P1 incidents are critical incidents that significantly impact many users or customers, resulting in major service outages or critical functionality failures and that require immediate action to contain and resolve the issue and prevent further damage or loss.

## **Business as usual support with managed service providers**

42. The resolution of level 2 and 3 service requests in Global Service Desk related to COMPASS and Workday was slow, with cases on hold or in progress for 58 and 44 days, respectively. There were also relatively high numbers of open cases between 30-69 days, the oldest item remaining on hold for 147 days at the time of the audit. Moreover, one service request repeatedly appeared during the period (INT0064), which reflected inadequate resolution and/or the need to further analyze the root causes to inform action taken regarding the issue.

43. The audit also noted that the Cloud ERP and Workday projects deferred some SIT issues to post go-live. This transferred the resolution of the issues to Division of Information Systems and Telecommunications (DIST) or a service desk problem in production. Further, no prioritization procedures were in place to support the categorization of deferred activities by importance and timelines for future consideration as part of a continuous improvement plan. On the adequacy of DIST's capacity to deal with the anticipated increased volume of service requests, DIST noted that it would contract additional technical resources for delivery, as was done for the Workday and COMPASS backlogs.

## **Specialized cross-functional support**

44. While the roles and responsibilities of managed service providers were defined for individual projects, there was no clarity on who would support issues related to cross-functional processes and data workflows. The establishment of the Tiger team was considered as best practice. However, its scope was limited to rectifying positions impacted by the integration between COMPASS and Workday. It thus did not provide solutions to other critical issues such as redesign of the required business processes that underpinned COMPASS and Workday and their impact on Cloud ERP. It also did not address the issues raised above related to inadequate hard budget controls on temporary positions.

45. UNHCR had a standard that provided guidance on production support, which however needed to be updated to provide better guidance on service level agreements, support and registration, escalation, resolution and closure of user incidents and service requests.

**(6) To ensure continuous improvement, the UNHCR Division of Information Systems and Telecommunications, in collaboration with the respective Divisions, should strengthen post go-live support structure through the update of production support standards to facilitate visibility and timely identification and resolution of issues.**

*UNHCR accepted recommendation 6 and stated that DIST will review and update the guidance on incident management escalation, support and registration of incidents. UNHCR further stated that currently monthly operations reviews with business divisions and production support service providers are in place.*

## **E. Change and communication management**

### Need to strengthen Organization change management to support successful deployment of systems

46. To facilitate adoption and buy-in at the programme level, the BTP as a critical transformation programme required cross-functional change enablers from ICT, as well as a dedicated change management function to ensure stakeholder management, training, communication, and organization alignment. Change management strategies were documented at the individual project level.

47. Change readiness reports provided an assessment on the readiness of individual projects to transition to the implementation phase/go-live. However, accountability for clearing the change readiness report and approving the recommendations of the review team was not clearly defined. Thus, it remained unclear if the readiness report was approved for go-live and who was accountable. For instance for COMPASS:

- The change readiness report was based on a pre-defined checklist but had not been signed off. Also, gaps were noted in the responses provided.
- On whether the project was ready to transition to business-as-usual, the project team referenced the go-live readiness assessment report which was not availed to the PSC for consideration as part of the approval process.
- On the completion of system and operational testing, the comments in the report showed that UAT was not completed, and there was no information on the completeness of SIT.
- Answers to the question on the training plan and training material was also not clearly provided.

48. A recommendation has not been made since the projects have all gone live. However, OIOS suggests that UNHCR consider updating the PMLC to reflect lessons learned for future projects.

### **Staff absorption of the multiple project deployments**

49. The PgMO did not consider UNHCR's capacity to absorb multiple projects deployments at the same time. Instead, it adopted a roles/function approach to readiness for ensuring that staff were not only ready but also supported to use the systems. Key changes to functions were linked to policies and training resources to ensure the workforce was ready and provided with adequate support resources. Moreover, each policy was accompanied by a key changes document to provide a quick reference guide for end-users. Despite this, bureaux and country operations noted that their limited resources were overly stretched as they responded to multiple changes from the different transformations (including the IT systems). While a BTP readiness assessment was conducted in April 2023, it could have been further updated to reflect the many changes made prior to the Cloud ERP go-live date in September 2023.

### **Training**

50. All projects had training plans as guided by the PgMO. A change catalogue that consolidated the key changes staff needed to absorb was created and these were aligned to training sessions that were conducted across PROMS, COMPASS and Cloud ERP. An activities calendar was also created to ensure that there was a staggered approach to training and to avoid overlapping/over-burdening end-users. However, despite all this, the PGMO did not have a consolidated view of the extent of changes that staff would have absorbed from these trainings.

51. The effectiveness of the training was also impacted by the compressed timelines prior to go-live dates and scheduling of activities during summer when staff were on leave. Preparation of materials related to end user training also needed attention across all six projects. This would potentially impact the ability of users to optimally use the respective solutions effectively. It also remained unclear whether training focus groups had been mapped and prioritized in terms of criticality and function/roles. Considering that there were still many ongoing changes, the need for UNHCR to assess and address the impact from multiple deployments of the BTP projects on the workforce remained relevant.

<p><b>(7) To support the effective implementation of the business transformation programme, UNHCR's accountable divisions, i.e., the Divisions of Financial and Administrative</b></p>
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**Management, Emergency, Security and Supply, Strategic Planning and Results, External Relations and Human Resources in coordination with the Division of Information Systems and Telecommunications, should assess and make recommendations on how the impact of ongoing system, business and process changes on the workforce can be addressed.**

*UNHCR accepted recommendation 7 and stated that the accountable divisions will assess and make recommendations on how the impact of ongoing systems, business and process changes on the workforce can be addressed.*

## **F. Programme and project management**

52. The success of any large project is dependent on strong project-management, well-planned delivery cycles and rigorous quality checks. The PgMO was established to ensure: (a) a stronger focus on benefits; (b) delivery of projects in a consistent and coordinated manner; (c) adequate skills required across the projects; (d) maintenance of standards; (e) application of lessons learned from one project to another; and (f) addressing of cross-project issues strategically in the interest of the Organization.

### Inadequate criteria to measure of project and programme performance

53. Per the PMLC, effective project management involved DIST setting criteria and targets against which progress would be monitored regarding costs, performance, risks and quality of projects. The PgMO ensured that project and programme success was measured using defined criteria and weightings<sup>5</sup> and reported on the scorecards to the PSCs, PEC and TGB. However, the weightings allocated to different criteria were ineffective in reflecting an accurate status of projects. For instance, despite risk, quality and compliance being core to the delivery of the project, they had a relatively low weighting. Additionally, schedule (timing) got a higher weighting than quality and this contributed to unrealistic schedules for go-live for all projects. For scope, it was unclear whether the changes would be measured against the original scope or the re-baselined scope. The metrics in the PMLC need to be reviewed for effectiveness.

54. The audit also noted that DIST had not set up these standards and tools against which the PgMO would ensure consistency in the management of BTP projects. DIST was also responsible for checking of compliance with guiding documents and frameworks, but this was left to individual projects. Consequently, there were inconsistencies in reported results and different interpretations of dashboards and scorecards as PSCs set their own standards, and projects applied varying criteria when measuring achievement of key milestones. This governance structure also disempowered the PgMO from tracking cross-project compliance. A recommendation has not been made to address the issues above since the projects have gone live. However, OIOS suggests that UNHCR consider updating the PMLC to reflect lessons learned for future projects.

### Gaps in inter-project coordination which impacted the delivery of the overall programme

55. The PgMO was responsible for overseeing critical cross-functional activities and this included ensuring the proper alignment of projects across the BTP programme. The PgMO built a cutover reporting dashboard to aggregate the individual cutover / go live plans. However, the PgMO did not have a cross-functional implementation plan nor a critical path in place to ensure that project activities were appropriately sequenced for the optimal execution of the BTP. For instance, Workday and COMPASS preceded Cloud ERP, and this invariably resulted in the need to align the projects.

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<sup>5</sup> The criteria and weightings for measuring project performance were (i) schedule (25 per cent); (ii) budget (25 per cent); (iii) scope (25 per cent); (iv) risks (15 per cent); and (v) quality and compliance (5 per cent).



56. Cross-functional dependencies were identified in project initiation documents, but they were not updated to reflect the many changes that occurred up to projects' go-live dates. The lack of a cross-functional implementation plan also meant that dependencies were not integrated into project planning for seamless and timely implementation. The consideration of dependencies only as projects went live affected system operational effectiveness and integration as well as project timelines and related costs. This resulted in:

- Sub-optimal coordination and sequencing of cross-functional deliverables, with project delays requiring that systems are rescoped and retested.
- Delays in SIT and UVT which had a rolling effect on cutover activities across projects due to the non-alignment of dependencies in planning.
- The PgMO not having a basis against which to track cross-project activities and related dependencies necessary for success of the overall programme.
- Interrelated systems outside BTP such as Cash Assist and Fleetwave not being considered in a timely manner for inclusion in the Programme.

57. The PgMO did not identify costs arising from new systems/workarounds to complement the BTP, nor assess their impact on integration, system operational effectiveness, budgets, timelines and the workforce and stakeholders. For instance, while the Links Steering Committee identified a critical risk to the Cloud ERP go-live arising from a COMPASS change request to update budgetary amounts, the matter was not discussed at COMPASS and Cloud ERP PSCs. This resulted in the de-prioritization of the treasury cash flow and five CashAssist integrations to post-ERP go-live. OIOS suggests that UNHCR consider updating the PMLC to reflect lessons learned for future projects.

#### Monitoring and closure of projects and the programme could have been stronger

58. The PgMO had two PowerBI dashboards, i.e., for BTP PgMO and UVT Testing. However, the dashboards did not have defined criteria for tracking achievements against the objectives of the individual projects, the BTP and overall UNHCR transformation system. For instance, the impact of COMPASS and Workday had not been assessed against the related decentralization and regionalization objectives. Additionally, the mechanisms against which the success of projects under the BTP would be measured were not comprehensive. For instance, the Workday success was primarily measured using surveys, but this did not cover the adequacy of functionality/features, and system performance.

59. **Monitoring:** There was slippage of timelines for all interdependent projects as reflected in table 1 of this report. The slippages were caused by delays in decisions on process, integration, reporting, data migration design, testing, training and preparation for deployment. They also reflected gaps in monitoring of the completion of projects and the overall programme within estimated timelines. Where set timelines seemed unreasonable, the PgMO did not assess the impact that this would have on individual projects and the BTP without additional resources being invested or last-minute decisions being made to reduce testing and/or functionality. For instance, the impact assessment of the extension of the Cloud ERP go-live date was conducted post-facto, but no such assessment was done for the postponement of the Synergy rollout and the impact of deferring some system aspects to post go-live on the overall Programme schedule and budget.

60. **Quality assurance:** As already mentioned, the weighting allocated in the project score card for monitoring quality was relatively low, i.e., 5 per cent. Further, while quality assurance requirements were defined in project initiation documents, they were qualitative in nature, and this impacted their effectiveness in providing a basis against which to move projects forward and ensuring that project outcomes meet

agreed-upon requirements. There was also no evidence that the quality review for software coding was defined and integrated into the quality review process; while most of the configurations were conducted in the SaaS environment, there was some customization done and this required code reviews. Also, no provision was made for external quality reviews especially because of the BTP complexities arising from the multiple projects and their interdependencies. Such reviews would have supported the timely identification of risks and challenges for mitigation as well as to informed future projects. No recommendation has been raised because all projects have gone-live.

61. **Project closure:** The PgMO was also responsible for ensuring the closure reports were in place regarding the successful delivery of projects. However, the closure reports for Workday and COMPASS primarily contained qualitative information on delivered system functionalities, with no quantitative data provided to indicate whether the solution was fit for purpose regarding its performance and functionality. Project closure reports also did not provide information on whether functionalities, as defined in the project initiation document, were delivered and what was outstanding. For example, Workday integration with Cloud ERP and COMPASS was outstanding and not reflected in the closure reports.

62. One key component of the closure reports was the benefits realization plans that would provide defined metrics for monitoring or ensuring that the expected benefits of the BTP are realized. Per the PgMO, project closure reports had benefits realization plans that would be measured in the next 12 months. However, this was yet to happen for COMPASS and Workday that had passed the 12-month mark. The PgMO also did not have a benefits realization plan in place for monitoring the realization of the overall BTP benefits.

#### Programme risks were not identified for mitigation

63. Risk management ensures that related risks are identified and mitigated so projects meet their objectives and are completed within time and budget. Included in the status reports to the PSCs was a high-level presentation of risks as a basis for considering adequacy and effectiveness of proposed mitigation actions. The risks and impacts of the deficiencies identified with the individual projects included: (i) overall objectives of BTP not being met; (ii) missing/delayed functionality; (iii) manual workarounds; (iv) sub-optimal user experience; (v) sub-optimal data quality and availability; (vi) surge in support activities post-go-live and pressure on support functions; (vii) eroding stakeholder trust (internal and external); and (viii) increased costs. However, the corresponding mitigations did not always effectively mitigate the risks and thus many of the risks materialized. For instance, to mitigate the risks that Cloud ERP SIT would delay go-live, UNHCR opted to identify areas to descope for go-live, which created other risks.

64. The BTP and the related projects could pose a significant risk to UNHCR if not properly managed. This was included in UNHCR's strategic risk register (December 2022) as a potential major risk with an upward trend. The potential root cause of this risk was identified as the failure to deliver transformative projects including the BTP in a well-governed and properly coordinated way. However, there was no programme level risk management linked to the risks identified in the strategic risk register. There was a need to ensure that the risk registers reflected programme risks, remained up to date and included effective mitigating actions. A recommendation is not raised because the projects have gone live.

<p><b>(8) To strengthen programme management, (a) UNHCR's accountable divisions, i.e., Divisions of Financial and Administrative Management, Emergency, Security and Supply, Strategic Planning and Results and Human Resources, should ensure projects conduct benefit realization assessments; and (b) the Division of Information Systems and Telecommunications should institute quality reviews over implemented systems including involvement of independent reviewers, as applicable</b></p>
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*UNHCR accepted recommendation 8 and stated that (a) the accountable divisions will ensure that projects conduct benefits realization assessments; and (b) DIST will institute quality reviews as applicable, for implemented BTP systems which are on platform as a service and custom developed products only. UNHCR relies on the quality reviews by cloud service software providers for their own standard software offering.*

## G. Budgeting

### Need to define the total cost of ownership

65. As part of its project management, UNHCR needed to manage the budget associated with the projects and overall programme. UNHCR also need to ensure that project and overall BTP funding was available. Table 2 reflects the initial consolidated BTP budget per programme initiation documents and the updated budget:

**Table 2: BTP costs by projects (in \$ millions)**

Project	Initial budget	Actual expenditure 2019-2022	Budgets 2023-2024	Total revised budget 23 November 2023
<b>BTP projects</b>				
Cloud ERP	40.9	28.7	16.2	<b>44.9</b>
Workday	17.7	17.6	0	<b>17.6</b>
Workday realignment			0.9	<b>0.9</b>
COMPASS	13.2	13.2	0	<b>13.2</b>
COMPASS realignment	8.0	4.4	4.9	<b>9.3</b>
PROMS	6.8	5.3	3.3	<b>8.6</b>
Link	6.9	5.5	2.6	<b>8.1</b>
Synergy	6.2	4.1	2.6	<b>6.7</b>
<b>Subtotal</b>	<b>99.7</b>	<b>78.8</b>	<b>30.5</b>	<b>109.3</b>
<b>Other costs</b>				
Programme governance	7.7	5.1	2.4	<b>7.5</b>
MSRP alignment	1.4	1.4	0	<b>1.4</b>
BTP support to the field			0.7	<b>0.7</b>
<b>Subtotal</b>	<b>9.1</b>	<b>6.5</b>	<b>3.1</b>	<b>9.6</b>
<b>Total</b>	<b>108.8</b>	<b>85.32</b>	<b>33.6</b>	<b>118.9</b>

\* Source: PgMO dashboard

66. However, there was no approved budget at the inception of the BTP since some projects only came on board after it was launched, e.g., Links, COMPASS realignment, and HR enhancement projects. Funding was also assigned on an annual basis and not over project and programme periods, e.g., only the 2023 budget for the PgMO was available, i.e., \$925,000. There were also gaps noted in funding for the Workday HR enhancement project, with only \$1.6 of the \$3.4 million budget available for 2023. The COMPASS realignment project had \$3.7 million against an initial estimate of \$8 million. Per UNHCR, funding was provided on an annual basis and thus needed to be coordinated on that basis. This raised the risk that the six projects and overall BTP would not have adequate resources.

67. Additional realignment costs (new systems/workarounds) and other systems that complemented BTP were not fully embedded into the budget and for the total cost of ownership. For instance, there is no clarity from both Workday HR enhancement and COMPASS realignment PSC as to whether there is an approved budget to complete both realignment projects. Further, the cost of the medical insurance plan and other costs of related projects was not identified and evaluated for impact on budget and TCO. Workday

did not have a solution for the medical insurance plan and UNHCR had to look for alternatives at an additional cost.

68. Each individual project had in place mechanisms for monitoring their budgets. Project reports reflected the status of funding and budgetary deviations were reported to PSCs for approval. However, the metrics used to measure budgetary performance was based on rebased budgetary allocations, with original costs not being visible. Thus, invariably, the dashboard always showed the budgetary status as green. It is best practice to do a comparison and budget monitoring over both original and rebased amounts to give a realistic picture of how the budget has increased over time.

69. Although not required in UNHCR's PMLC, best practice requires that total cost of ownership (TCO)<sup>6</sup> is defined and monitored. The PgMO noted that the ERP TCO was prepared in 2020 but not updated and monitored. Also, the TCO for programme had not been determined. In the absence of this, UNHCR had no basis for reporting and monitoring the TCO and whether the total cost remained aligned to its initial BTP objectives. UNHCR should consider reviewing its standard for budgeting and monitoring costs to incorporate TCO. UNHCR stated that it did not have the resources to compute the TCO and therefore accepted any resultant risks.

**(9) The UNHCR Division of Information Systems and Telecommunications should review the standards for budgeting and monitoring costs and in coordination with the project teams ensure the availability and traceability of project and programme costs, i.e., original and revised allocations, over the lifecycle of the project.**

*UNHCR accepted recommendation 9 and stated that Division of Information Systems and Telecommunications will review the standards for budgeting and monitoring costs and in coordination with the project teams ensure the traceability of project and programme cost, i.e., original and revised allocations, over the lifecycle of the project.*

#### Need to assess the cost-effectiveness of the investment in Synergy

70. Synergy is a Salesforce cloud solution that is used to process the management of donor relationships and information. The use of this solution outside the headquarters was not mandatory since the recording of donor contributions is centralised. The centralised use of the solution runs contrary to UNHCR's decentralization process as well as the Roles Accountabilities and Authorities that place related responsibilities for resource mobilization at country, regional bureau and headquarters levels. Because Salesforce is an expensive solution<sup>7</sup>, its partial implementation and use across the organization may not get best value from the investment. UNHCR noted that it planned to develop other tools for accessing and using data in Synergy, so the number of required licenses is minimized; but it did not share documentation to evidence this.

**(10) The UNHCR Division of External Relations needed to assess and plan for the optimal use of the Synergy system to ensure the heavy investment in the system will be fully realized.**

*UNHCR accepted recommendation 10 and stated that over the course of 2024 and 2025 regional rollout of Synergy will take place which will maximise the full potential of the tool for the relationship management of partners and donors. This will be scoped on in Q2 and Q3 2024 with implementation starting Q4 2025. This will enable UNHCR to put in place a full implementation and expand its use to*

<sup>6</sup> The total cost of ownership covers not only upfront acquisition costs, but what the business will need to operate the system, i.e., maintenance, installation, downtime during installation/implementation, training, disposal, licensing and upgrades.

<sup>7</sup> \$6.7 million for use by some 200 out of 21 million staff in the organization

*regions and country operations. Regional rollout of Salesforce is already well established for Private Sector fundraising. In addition, the implementation of Oracle Reporting layer will reduce the number of licences for staff members who are not daily users of the system, but still require reporting across BTP systems. UNHCR further stated that it has also created a custom interface in the Synergy hub which allows some processes to be managed outside of Salesforce using the API which also reduces licensing need.*

## **H. Lessons Learned**

### Need to capture lessons learned systematically

71. According to the best practice project management framework (PMBOK®), lessons learned are “the knowledge gained during a project, which shows how project events were addressed or should be addressed in the future, for the purpose of improving future performance.”

72. One of the objectives of transitioning to a programme modality was to have the ability to apply lessons learned from one project to another. These per the PgMO were recorded in project closure reports. However, responsibilities and the modalities for capturing and sharing lessons learned were not defined. Considering that both the Workday and COMPASS projects had predated other projects, lessons learned from these projects were not assimilated into the other projects. For instance, lessons learned from COMPASS and Workday in terms of descoping and system performance resulted in compressed UVT and SIT. Many issues in the Workday RFC raise issues about the effectiveness of SIT/UVT/lack of end-to-end process definition, gap analysis, and user training and ramp-up approach.

**(11) The UNHCR Division of Information Systems and Telecommunications should use the lessons learned from the implementation of the Business Transformation Programme projects to update the Project Management Lifecycle handbook.**

*UNHCR accepted recommendation 11 and stated that PMLC handbook will be revised to incorporate key lessons learned from the BTP programme.*

## **IV. ACKNOWLEDGEMENT**

73. 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

## Feedback received from the users of Workday and COMPASS

Focus areas	Positives	Negatives
<b>Workday</b>		
Fit for functional role/responsibilities	Workday is fit for functional role/responsibilities, faster, more information in one screen, easy to navigate	
Recruitment/contract/appointment	Recruitment processes and leave monitoring in general were easier and faster now	<ul style="list-style-type: none"> <li>• HR cannot initiate certain processes due to their assignment to line managers (e.g., contract extension)</li> <li>• A minor change such as a title change (same functional group and level), creates a new position number, and staff have to be recruited on it even though one staff was sitting on the position and will continue on it</li> <li>• Inadequate privileges to HR staff</li> <li>• More technical (WD) roles for HR staff instead of the core HR roles</li> </ul>
Performance management	The performance management tool is more interactive and comments can be made on each objective	
Improvement of the HR/RBM business processes and automation of HR/RBM workflows	Improved business processes, easier tracking, and less manual intervention in processes such as separation/resignation processes and absence balance calculations	
Manual intervention/workarounds	Offline processes have reduced	Manual/Workaround: Offline documentation of interview notes; finance part of salary advances and overtime payments has to be done offline; a number of processes still done using Excel – contract extension, follow-up, and recruitment
Reporting capabilities/data extraction	Reports are available and can be run easily and exported to excel/pdf	Difficult to find the right report needed for information
Training: Timeliness and adequacy	<ul style="list-style-type: none"> <li>• Training: clinic sessions/job aids on specific topics, in person training in specific locations</li> <li>• Material: Job aids and SOPs</li> </ul>	The training was not detailed and considered too short
Production support	<ul style="list-style-type: none"> <li>• Supportive team in Budapest</li> <li>• Teams chat helps in the quick resolution of issues</li> </ul>	Delayed resolution of issues
Monitoring		<ul style="list-style-type: none"> <li>• Requests are received by role but are not person-specific and follow-ups are delayed.</li> <li>• System-generated alerts are received in all geographical regions</li> </ul>
HR operations/workaround		<ul style="list-style-type: none"> <li>• Approval of TA processes has glitches</li> <li>• Longer time to process the reimbursement or payment of entitlements.</li> <li>• Absence reports are not visible to HR Team except the supervisor</li> </ul>
Reporting		Interactive report builder tool not available for HR to extract need based customized reports

## Feedback received from the users of Workday and COMPASS

Focus areas	Positives	Negatives
<b>COMPASS</b>		
Fit for functional role/ responsibilities	Improved planning and reporting phases as they are integrated and simplified	<ul style="list-style-type: none"> <li>The indicator interface is not clear and fragmented</li> </ul>
Improvement of the RBM business processes and automation of RBM workflows	Agile tool with automated processes and particularly improved planning processes (i.e., strategies)	<ul style="list-style-type: none"> <li>Improved but not necessarily simplified processes.</li> <li>Technical teams have roles, but not doing data entry, and still Programme continues to enter data for indicators and reporting/monitoring.</li> <li>Technical experts have not been trained or are not interested</li> </ul>
Manual intervention/ workarounds		<ul style="list-style-type: none"> <li>Partners' budgets/PPAs/reporting are not in COMPASS which still have to be done manually outside the system</li> <li>The review of country strategies in COMPASS has to be done offline.</li> </ul>
Reporting capabilities/Data extraction	Updated information and PowerBI analytics	<ul style="list-style-type: none"> <li>Non-availability of the entire framework in one report</li> <li>No specific reports for Bureau/second line of defense</li> <li>Results obtained through PowerBI is difficult to view/get</li> </ul>
Training: Timeliness and adequacy	<ul style="list-style-type: none"> <li>On-line training to all Webinars/walk-ins/tutorials have been held and recorded (both at regional and HQ levels) version available</li> </ul>	<ul style="list-style-type: none"> <li>In-person training could have been more effective.</li> <li>COMPASS was only available one week before it went live, so users not were not prepared and ready for role-based work</li> </ul>
Production support	<ul style="list-style-type: none"> <li>Issues are timely addressed.</li> <li>Support has been given by the COMPASS team at HQ which was good.</li> <li>Bureau support has been good. The full programme team at the RB does provide support.</li> </ul>	Global Service Desk (GSD) support not very timely
License		The limited number of licenses received by every operation
Budget		Not possible to filter by partner/ implementer at the time of entering/changing budgets
Function		Not possible to add the same output indicator to both the refugees and to reintegration pillars. It can only be used once.

## STATUS OF AUDIT RECOMMENDATIONS

**Audit of the progress in implementing the Business Transformation Programme for  
the Office of the United Nations High Commissioner for Refugees**

Rec. no.	Recommendation	Critical <sup>8</sup> / Important <sup>9</sup>	C/ O <sup>10</sup>	Actions needed to close recommendation	Implementation date <sup>11</sup>
1	To achieve the Business Transformation Programme objectives, UNHCR's Division of Information Systems and Telecommunications, in collaboration with the respective Divisions, should: (a) ensure that business processes are mapped to support future periodic software updates and process improvements; and (b) assess the practicality of post-facto business process reengineering and advise the Transformation Governance Board on consequences and a way forward.	Important	O	Receipt of documentary evidence that (a) business processes are mapped to support future periodic software updates and process improvements; and (b) report to the Transformation Governance Board on the practicality of post-facto business process reengineering, the consequences and a way forward.	31 December 2024
2	UNHCR's business divisions, i.e., the Divisions of Financial and Administrative Management, Strategic Planning and Results, Emergency, Security and Supply and Human Resources, in collaboration with the Division of Information Systems and Telecommunications should ensure that the deferred functionalities in Cloud ERP, COMPASS, Workday and Link are implemented to ensure their effectiveness.	Important	O	Receipt of documentary evidence that deferred functionalities in Cloud ERP, COMPASS, Workday and Link are implemented.	31 December 2025
3	To ensure integrity, completeness, and accuracy of corporate data, the UNHCR Global Data Service, in coordination with the Division of Information Systems and Telecommunications, should ensure that the master data management related to the Business Transformation Programme is considered in the related overall organization guidance.	Important	O	Receipt of documentary evidence that BTP related master data management is considered in the overall guidance, to strengthen the quality and interoperability of corporate data	31 December 2025

<sup>8</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>9</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.



## STATUS OF AUDIT RECOMMENDATIONS

**Audit of the progress in implementing the Business Transformation Programme for  
the Office of the United Nations High Commissioner for Refugees**

Rec. no.	Recommendation	Critical Important	C/O	Actions needed to close recommendation	Implementation date
4	To strengthen controls over personnel data and related costs maintained in Workday and COMPASS, the UNHCR Divisions of Human Resources and Strategic Planning and Results should: (a) address system integration gaps related to position management; and (b) strengthen budgetary controls over payment of temporary assistance.	Important	O	Receipt of documentary evidence of actions taken to: (a) address system integration gaps related to position management; and (b) strengthen budgetary controls around payment of temporary assistance	31 December 2025
5	UNHCR's business divisions, i.e., the Divisions of Financial and Administrative Management, Strategic Planning and Results, Emergency, Security and Supply, External Relations and Human Resources, in collaboration with the Division of Information Systems and Telecommunications should develop and implement a framework on user / identity management and access controls across the systems in UNHCR.	Important	O	Receipt of documentary evidence of a framework on user / identity management and access controls across the systems in UNHCR.	31 December 2025
6	To ensure continuous improvement, the UNHCR Division of Information Systems and Telecommunications, in collaboration with the respective Divisions, should strengthen post go-live support structure through the update of production support standards to facilitate visibility and timely identification and resolution of issues.	Important	O	Receipt of documentary evidence of implementation of updated production support standards	31 December 2024

<sup>10</sup> Please note the value C denotes closed recommendations whereas O refers to open recommendations.

<sup>11</sup> Date provided by UNHCR in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

**Audit of the progress in implementing the Business Transformation Programme for  
the Office of the United Nations High Commissioner for Refugees**

Rec. no.	Recommendation	Critical Important	C/O	Actions needed to close recommendation	Implementation date
7	To support the effective implementation of the business transformation programme, UNHCR's accountable divisions, i.e., the Divisions of Financial and Administrative Management, Emergency, Security and Supply, Strategic Planning and Results, External Relations and Human Resources in coordination with the Division of Information Systems and Telecommunications, should assess and make recommendations on how the impact of ongoing system, business and process changes on the workforce can be addressed.	Important	O	Receipt of documentary evidence of actions taken to address the impact ongoing system, business and process changes have had on the workforce.	31 December 2025
8	To strengthen programme management, (a) UNHCR's accountable divisions, i.e., Divisions of Financial and Administrative Management, Emergency, Security and Supply, Strategic Planning and Results and Human Resources, should ensure projects conduct benefit realization assessments; and (b) the Division of Information Systems and Telecommunications should institute quality reviews over implemented systems including involvement of independent reviewers, as applicable.	Important	O	Receipt of documentary evidence that (a) benefit realization assessments have been conducted for all projects post-go live; and (b) quality reviews have been instituted over implemented systems.	31 December 2025
9	The UNHCR Division of Information Systems and Telecommunications should review the standards for budgeting and monitoring costs and in coordination with the project teams ensure the availability and traceability of project and programme costs, i.e., original and revised allocations, over the lifecycle of the project.	Important	O	Receipt of documentary evidence of established standards for budgeting and monitoring project and programme cost over the lifecycle of the project	31 December 2025

## STATUS OF AUDIT RECOMMENDATIONS

**Audit of the progress in implementing the Business Transformation Programme for  
the Office of the United Nations High Commissioner for Refugees**

Rec. no.	Recommendation	Critical Important	C/O	Actions needed to close recommendation	Implementation date
10	The UNHCR Division of External Relations needed to assess and plan for the optimal use of the Synergy system to ensure the heavy investment in the system will be fully realized.	Important	O	Receipt of documentary evidence of a plan to use the Synergy system optimally.	31 December 2025
11	The UNHCR Division of Information Systems and Telecommunications should use the lessons learned from the implementation of the Business Transformation Programme projects to update the Project Management Lifecycle handbook.	Important	O	Receipt of documentary evidence that Project Management Lifecycle handbook has been updated for lessons learned	31 December 2024

# **APPENDIX I**

## **Management Response**

## Management Response

**Audit of the progress in implementing the Business Transformation Programme for  
the Office of the United Nations High Commissioner for Refugees**

Rec. no.	Recommendation	Critical <sup>12</sup> / Important <sup>13</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
1	To achieve the Business Transformation Programme objectives, UNHCR's Division of Information Systems and Telecommunications, in collaboration with the respective Divisions, should: (a) ensure that business processes are mapped to support future periodic software updates and process improvements; and (b) assess the practicality of post-facto business process reengineering and advise the Transformation Governance Board on consequences and a way forward.	Important	Yes	Director, Division of Information Systems and Telecommunications (DIST)	31 December 2024	(a) Business processes catalog has been created to support periodic cloud releases and process improvements.  At the start of the projects, it was assessed that HCR would adopt best of breed cloud solutions and standard processes as far as possible rather than re-engineer processes. However, where there are unique processes to UNHCR, such as travel have been assessed and re-engineered. The TGB will be informed of this assessment.
2	UNHCR's business divisions, i.e., the Divisions of Financial and Administrative Management, Strategic Planning and Results, Emergency, Security and Supply and Human Resources in collaboration with the Division of Information Systems and Telecommunications should ensure that the deferred functionalities in Cloud ERP, COMPASS, Workday and Link are implemented to ensure their effectiveness.	Important	Yes	Directors Divisions of Financial and Administrative Management (DFAM), Strategic Planning and Results (DSPR), Emergency, Security and Supply (DESS) and Human Resources (DHR)	31 December 2025	Business divisions in collaboration with DIST will assess, plan and implement the deferred functionality as defined in the project closure reports.
3	To ensure integrity, completeness, and accuracy of corporate data, the UNHCR	Important	Yes	Chief, Operational Data Systems &	31 December 2025	GDS and DIST will be consulting relevant business owners and

<sup>12</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>13</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

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	Global Data Service, in coordination with the Division of Information Systems and Telecommunications, should ensure that the master data management related to the Business Transformation Programme is considered in the related overall organization guidance.			Support Section, Global Data Service (GDS) and Division of Information Systems and Telecommunications (DIST)		stakeholders in HQ to conceptualize an approach to MDM related to the BTP, as one component of efforts to strengthen the quality and interoperability of corporate data
4	To strengthen controls over personnel data and related costs maintained in Workday and COMPASS, the UNHCR Divisions of Human Resources and Strategic Planning and Results should: (a) address system integration gaps related to position management; and (b) strengthen budgetary controls over payment of temporary assistance	Important	Yes	Directors Divisions of Human Resources (DHR) and Strategic Planning and Results (DSPR)	31 December 2025	DHR is working with DSPR to close the gaps in position management. DHR has already implemented several validation rules within the position management business processes in Workday to strengthen budgetary controls. DHR continues to discuss ways it can also support DSPR with additional budgetary controls.
5	UNHCR's business divisions, i.e., the Divisions of Financial and Administrative Management, Strategic Planning and Results, Emergency, Security and Supply, External Relations and Human Resources, in collaboration with the Division of Information Systems and Telecommunications should develop and implement a framework on user / identity management and access controls across the systems in UNHCR.	Important	Yes	Directors Divisions of Financial and Administrative Management (DFAM), Strategic Planning and Results (DSPR), Emergency, Security and Supply (DESS), External Relations (DER) and Human Resources (DHR) supported by Division of Information Systems and Telecommunications (DIST)	31 December 2025	DIST in collaboration with the accountable divisions, will review the user and identity management access control and management reporting in progress. A report providing user accesses across systems is produced and shared.  The decisions on access controls and approvals lie within the business divisions.

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6	To ensure continuous improvement, the UNHCR Division of Information Systems and Telecommunications, in collaboration with the respective Divisions, should strengthen post go-live support structure through the update of production support standards to facilitate visibility and timely identification and resolution of issues.	Important	Yes	Director Division of Information Systems and Telecommunications (DIST)	31 December 2024	DIST will review and update the guidance on incident management escalation, support and registration of incidents.  It should be noted that currently there are in place monthly operations review with business divisions and ADSM service providers for production support.
7	To support the effective implementation of the business transformation programme, UNHCR's accountable divisions, i.e., the Divisions of Financial and Administrative Management, Emergency, Security and Supply, Strategic Planning and Results, External Relations and Human Resources, in coordination with the Division of Information Systems and Telecommunications, should assess and make recommendations on how the impact of ongoing system, business and process changes on the workforce can be addressed.	Important	Yes	Directors Divisions of Financial and Administrative Management (DFAM), Strategic Planning and Results (DSPR), Emergency, Security and Supply (DESS), External Relations (DER) and Human Resources (DHR), Division of Information Systems and Telecommunications (DIST)	31 December 2025	The accountable divisions will assess and make recommendations on how the impact of ongoing systems, business and process changes on the workforce can be addressed.
8	To strengthen programme management, (a) UNHCR's accountable divisions, i.e., Divisions of Financial and Administrative Management, Emergency, Security and Supply, Strategic Planning and Results and Human Resources, should ensure projects conduct benefit realization	Important	Yes	(a) Directors Divisions of Financial and Administrative Management (DFAM), Strategic Planning and Results (DSPR),	31 December 2025	(a) The accountable divisions will ensure that projects conduct benefits realization assessments.  DIST will institute quality reviews as applicable, for implemented BTP systems which are on PAAS, and custom developed products

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	assessments; and (b) the Division of Information Systems and Telecommunications should institute quality reviews over implemented systems including involvement of independent reviewers, as applicable			Emergency, Security and Supply (DESS), External Relations (DER) and Human Resources (DHR) Director, Division of Information Systems and Telecommunications (DIST)		only. UNHCR relies on the quality reviews by cloud service software providers for their own standard software offering.
9	The UNHCR Division of Information Systems and Telecommunications should review the standards for budgeting and monitoring costs and in coordination with the project teams ensure the availability and traceability of project and programme costs, i.e., original and revised allocations, over the lifecycle of the project.	Important	Yes	Director, Division of Information Systems and Telecommunications	31 December 2025	The Division of Information Systems and Telecommunications will review the standards for budgeting and monitoring costs and in coordination with the project teams will ensure the traceability of project and programme cost, i.e., original and revised allocations, over the lifecycle of the project.
10	The UNHCR Division of External Relations needed to assess and plan for the optimal use of the Synergy system to ensure the heavy investment in the system will be fully realized.	Important	Yes	Head of Digital Service Division of External Relations	31 December 2025	Over the course of 2024 and 2025 regional rollout of Synergy will take place which will maximize the full potential of the tool for the relationship management of partners and donors. This will be scoped on in Q2 and Q3 2024 with implementation starting Q4 2025. This will enable UNHCR to put in place a full implementation and expand its use to regions and country operations. Regional rollout of Salesforce is already well established for Private Sector fundraising. In addition, the implementation of Oracle Reporting layer will



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						reduce the number of licenses for staff members who are not daily users of the system, but still require reporting across BTP systems. We have also created a custom interface in the Synergy hub which allows some processes to be managed outside of Salesforce using the API which also reduces licensing need.
11	The UNHCR Division of Information Systems and Telecommunications should use the lessons learned from the implementation of the Business Transformation Programme projects to update the Project Management Lifecycle handbook.	Important	Yes	Director, Division of Information Systems and Telecommunications (DIST)	31 December 2024	PMLC handbook will be revised to incorporate key lessons learned from the BTP programme