



INTERNAL AUDIT DIVISION

REPORT 2025/046

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

**The UNHCR Representation in Pakistan
needed to reinforce its managerial capacity to
deliver its programmes in an effective and
efficient manner**

**30 September 2025
Assignment No. AR2024-141-01**

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

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of operations in Pakistan for the Office of the United Nations High Commissioner for Refugees. The objective of the audit was to assess whether the UNHCR Representation in Pakistan was managing the delivery of services to forcibly displaced persons in a cost-effective manner, and in compliance with UNHCR's policy requirements. The audit covered the period from January 2022 to December 2024 and included (i) programme effectiveness; (ii) programme efficiency; (iii) programme delivery modalities; and (iv) information technology systems and management capacity.

The UNHCR Representation in Pakistan operated in a challenging environment characterized by insecurity in the country, reduced funding for UNHCR operations, and the absence of a legal framework for refugees in Pakistan. Adding to these external factors, shortcomings in the Representation's implementation arrangements led to inefficiencies in service delivery to beneficiaries. There were also weaknesses in the Representation's controls over Cash-Based-Interventions (CBIs), Non-Food-Items (NFIs), construction projects, and partner management, and the Representation's structure and staff capacity were ineffective in supporting programme planning, management and monitoring.

OIOS made 10 recommendations. To address issues identified in the audit, the UNHCR Representation in Pakistan needed to:

- Enhance the effectiveness of its protection programme by strengthening programme data collection, analysis and reporting, and addressing identified gaps in protection services provided to children and gender-based violence survivors.
- Redesign its livelihoods programmes including clear criteria for the selection of projects to foster self-reliance within the country's legal framework and benefit refugees and asylum seekers.
- Address identified inefficiencies in programme implementation, notably in the documentation service run by the government partner, including making warranted recoveries.
- Enhance the cost-effectiveness of programme delivery through scale up of the use of CBIs as the preferred modality for service delivery.
- Take measures to strengthen the controls over CBIs including implementation of CashAssist system.
- Strengthen controls over the receipt, storage, distribution, monitoring and accounting for NFIs.
- Address gaps in its bidding, evaluation, contracting and monitoring construction contractors.
- Conduct strategic review of funded partnership modality, and develop a plan to enhance the selection, management and monitoring processes of funded partners.
- Strengthen staff capacity to use core UNHCR systems and results frameworks so they are robust in measuring programme success.
- Review its structure and staffing capacity to deliver its mandate in an efficient and cost-effective manner.

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

CONTENTS

I.	BACKGROUND	1
II.	AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	2
III.	AUDIT RESULTS	2-12
	A. Programme effectiveness	2-5
	B. Programme efficiency	5-7
	C. Programme delivery modalities	7-11
	D. Information technology systems and management capacity	11-12
IV.	ACKNOWLEDGEMENT	12
ANNEX I	Status of audit recommendations	
APPENDIX I	Management response	

Audit of operations in Pakistan 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 Pakistan for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The UNHCR Representation in Pakistan (hereinafter referred to as the ‘Representation’) was established in 1979 to provide forcibly displaced persons with international protection, humanitarian assistance, and durable solutions, where feasible. Pakistan is not a signatory to the 1951 Convention on the Status of Refugees nor its 1967 Protocol. It also had not promulgated a law for dealing with refugees nor established procedures to determine the refugee status of persons seeking international protection within its territory.
3. As of 31 December 2024, the Representation was assisting 1.55 million forcibly displaced persons, 99 per cent of whom were from Afghanistan. One million of these displaced persons were residing in urban and semi urban localities, and the others in 54 refugee villages. The Government of Pakistan had not recognized any refugees since 2005 when it last granted prima facie recognition to Afghan refugees registered or verified at the time. Subsequently, refugees in Pakistan were treated under ad hoc administrative measures and provided with Proof of Registration (PoR) cards rather than through a structured, legal refugee-status determination process. There were: (i) 1.4 million refugees with PoR cards issued by the government; (ii) 800,000 persons holding Afghan Citizen Cards from a 2018 bilateral exercise but who were not considered refugees; and (iii) an estimated 600,000 Afghans who arrived post-2021, who are viewed as undocumented by the government.
4. The Representation was headed by a Representative at D-2 level, who reported to the Regional Director for Regional Bureau for Asia and the Pacific. As of December 2024, there were 364 staff (58 international staff, 178 national staff and 128 affiliated workforce). The Representation comprised of a country office in Islamabad, sub-offices in Peshawar and Quetta, and six field offices in Loralai, Dalbandin, Chaman, Haripur, Kohat, and Karachi. It worked with 25, 31 and 34 funded partners in 2022, 2023 and 2024 respectively who implemented approximately 70 percent of programme-related expenditure.¹
5. The Representation spent \$91 million in 2022, \$87.8 million in 2023, and \$56.3 million in 2024. The major expenditures for the audit period were on well-being and basic needs (\$74 million), protection (\$19 million), livelihoods (\$23 million), and education (\$25 million).
6. To acquire, process and store data related to programmes and activities under review, the Representation relied on institutional information systems and applications such as ProGres, Managing Systems, Resources and People (MSRP) and Cloud Enterprise Resource Planning (Cloud ERP), COMPASS, and Workday.
7. Comments provided by UNHCR are incorporated in italics.

¹ The Representation did not have a detailed breakdown of the proportion of programmes implemented directly and by partners.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess whether the UNHCR Representation in Pakistan was managing the delivery of services to forcibly displaced persons in a timely and cost-effective manner, and in compliance with UNHCR's policy requirements.

9. This audit was included in the 2024 risk-based work plan of OIOS due to the risks related to the size and complexity of the operations in Pakistan. OIOS conducted this audit from October 2024 to January 2025. The audit covered the period from January 2022 to December 2024 and included: (i) programme effectiveness; (ii) programme efficiency; (iii) programme delivery modalities; and (iv) information technology systems and management capacity.

10. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; (d) sample testing of controls; (e) visits to the operation's branch and sub-offices, as well as selected funded partners implementing UNHCR projects; and (f) observation of programme activities implemented in the Country Office in Islamabad and virtually for the Sub-Offices in Peshawar, and Quetta. The audit team was unable to physically verify programme implementation in locations outside of Islamabad as planned due to access restrictions and security constraints at the time of the audit.

11. OIOS assessed the reliability of data related to registration, child protection, gender-based violence, CBI, NFI, and procurement by (a) reviewing existing information about the data and the related information systems including ProGres, Managing Systems, Resources and People (MSRP), Cloud Enterprise Resource Planning (ERP), and Workday and (b) interviewing UNHCR Pakistan personnel knowledgeable about the data. In addition, OIOS traced a random sample of data to source documents. Significant data quality issues were identified (as discussed in the relevant sections of this report), adversely impacting OIOS' reliance on the data for the purpose of addressing the audit objectives.

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

III. AUDIT RESULTS

A. Programme effectiveness

The protection programme needed to be strengthened for effectiveness

(a) The government's suspension of registration of displaced persons negatively impacted the UNHCR protection programme

13. The Representation directly and through the Government's citizen registration agency and NGO partners spent \$5.3 million on the registration and documentation of refugees and asylum seekers between 2023 and 2024. The Representation had to take over the registration process of those asylum seekers who presented themselves to its offices after the host government suspended PoR activities in 2023, effectively not recognizing any new asylum seekers from that time. Whilst the government did not recognize the registration conducted by the Representation, 490,000 of the estimated 600,000 post-2021 arrivals approached and were registered by UNHCR.

14. The absence of government-led registration activities also meant that the Representation lacked reliable data on refugees and asylum seekers with the actual number of refugees anticipated to be higher

than the reported 1.55 million as of December 2024 since ProGres² was neither used by the Government agency as the primary registration database nor interfaced with the government database to facilitate data transfer.

15. Unregistered asylum seekers faced protection risks such as arbitrary arrests, limited access to services, labor exploitation, as well as forced repatriation. This called for reinforced advocacy with the government to ensure refugees and asylum seekers were protected and that the Representation had reliable data for its planning and decision making. The Representation indicated that its advocacy for the establishment of a comprehensive registration and documentation framework for forcibly displaced persons was ongoing.

(b) The services to gender-based violence survivors were not timely and lacked reliable data

16. The Representation's \$9.2 million gender-based violence (GBV) programme was implemented through five and four funded partners in 2023 and 2024, respectively. However, available data from 129 GBV cases showed that the provision of necessary assistance to GBV survivors was not timely. The partners conducted interviews with survivors between 11 and 50 days after the initial case reporting. Further, although a referral pathway was in place, partners took up to 461 days to refer GBV survivors for necessary medical, legal, security and psychosocial support. Moreover, no documentation was available in ProGres to evidence that survivors received the assistance required and that their cases were properly closed.

17. The Representation also lacked reliable data on GBV incidents due to widespread underreporting caused by cultural and social stigmas. This was despite the Representation's engagement of community leaders to raise awareness and promote the delivery of culturally sensitive services. The Representation also did not have the GBV Information Management System (GBVIMS)³ to collect and analyze programme data to inform its design and planning, as well as the assessment of effectiveness of related interventions.

(c) The services to children at risk were inadequate

18. The Representation spent \$1.2 million on the provision of child protection services during the audit period. While 779,670 of the 1.55 million (50 per cent) displaced persons were children, the Representation lacked data on the number of children that were at risk including unaccompanied and separated children. It also lacked documentation to support its reports that it had conducted Best Interest Procedure (BIP)⁴ assessments for 33 per cent of children at risk. Available records indicated that only 1,984 assessments were conducted out of an estimated 500,000 children at risk during the audit period. The lack of BIP assessments implied that the Representation lacked a proper basis against which to determine the most appropriate protection actions to take for children at-risk.

19. Significant gaps in school attendance among children of school-going age also left them at heightened protection risk. The enrollment rates of children of school-going age were 13, 14 and 12 per cent in 2022, 2023 and 2024, respectively. The Representation was yet to conduct a root cause analysis of the low enrolment rates, so a suitable solution would be sought during programme design. Moreover, the Representation did not have data on other key indicators related to attendance, education quality, and gender

² ProGres is UNHCR's centralized registration and case management system that digitally records and manages data on refugees and other forcibly displaced persons, enabling secure identity management, access to protection services, and coordination across humanitarian operations.

³ The Gender-Based Violence Information Management System (GBVIMS) is a multi-agency initiative used by UNHCR and partners to safely collect, store, analyze, and share data on reported incidents of gender-based violence, enabling ethical and effective service delivery, coordination, and advocacy in humanitarian settings

⁴ The UNHCR Best Interests Procedure (BIP) is a structured process designed to ensure that children of concern to UNHCR, particularly unaccompanied and separated children, receive protection and assistance that is in line with their best interests.

parity. The Representation attributed this to inadequate staffing, with one child protection staff responsible for planning, management and monitoring all programme activities and three others supporting operational activities in the field.

(1) The UNHCR Representation in Pakistan should reinforce the effectiveness of its protection programme by: (a) strengthening its mechanisms for collecting, analyzing and reporting programme data; and (b) addressing identified gaps in protection services provided to children and gender-based violence survivors.

UNHCR accepted recommendation 1 and stated that since the audit began, the context has shifted significantly due to the Government's new repatriation measures, leading to changes in documentation and protection risks for refugees. In response, UNHCR has focused on advocacy to safeguard Afghans with protection needs, while strengthening data collection through verification exercises and new tracking tools. On GBV, it is harmonizing SOPs with UNFPA, supporting partners to use GBVIMS, and enhancing outreach despite underreporting challenges worsened by the repatriation plan. For child protection, interventions target children at heightened risk, with monitoring done through ActivityInfo and COMPASS. Education enrolment figures were clarified, showing higher participation once urban public schools were included, with collaboration now established with the Pakistan Institute of Education to ensure more accurate data.

The effectiveness of the livelihoods programme was affected by inadequate programme design

20. The Representation spent \$23 million on a livelihoods programme during the audit period. The Representation had developed a livelihoods and economic inclusion strategy (2022-2024), of which effectiveness was impacted by gaps in programme design:

(a) Relevance of the vocational training programme

21. A recent tracer study noted that 65 per cent of interviewed trainees under the \$2 million vocational skills training programme were unable to find jobs in their fields of training. This was attributed to a mismatch between the skills offered in the vocational school and market needs. For example, 60 per cent of Afghan refugees worked in the construction industry for which no related skills training was provided. On the other hand, the programme primarily benefited the host community, who comprised 52 per cent of the 4,215 trainees between 2022 and 2024. This raised questions about the programme's inclusivity and relevance to refugee needs and contributed to its failure to meet its target of reaching 60 percent of the refugee youth.

22. The Representation also ran a \$7 million poverty graduation programme that reached some 11,200 beneficiaries between 2018 and 2024. However, a 2023 impact assessment noted that 62 per cent of its beneficiaries had sold, and another 10 per cent had consumed, the assets that were provided for livelihoods activities under this programme. The Representation had no assurance that the businesses of the 19 per cent that had grown their assets were sustainable in the long term. The effectiveness of the poverty graduation programme was also impacted by its inability to secure development loans for beneficiaries. This resulted in most beneficiaries not becoming self-reliant within the anticipated 12-month period.

(b) Selection of construction projects with limited linkages to refugees and asylum seekers

23. The Representation executed construction projects totaling \$14 million between January 2022 to June 2024 primarily under the education and livelihoods programmes. Although the Representation's investments were primarily meant to benefit refugees and asylum seekers, the projects primarily benefited the host community. For instance, the audit noted that refugees and asylum seekers did not benefit from

most of education-related construction projects implemented by the government partner totaling \$5.7 million between January 2022 to June 2024. Table 1 provides examples of education-related construction projects that had a limited impact on refugees and asylum seekers.

Table 1: Projects with limited benefits to refugees and asylum seekers

Location	Constructions	Project cost in USD	Percentage of refugees accessing the facilities
Gharib Abad	4 new classrooms	59,315	13 refugees out of 363 students (4 percent refugee access)
SRA Ghurgai	3 classrooms and a multi-purpose hall	81,243	Less than 100 refugees out of 503 students (24 percent refugee access)
Gulmaqam (Malakand)	Renovation and construction of buildings	173,106	52 refugees out of 304 students (17 percent refugee access)
Dargai No.2 (Malakand)	Upgrade of buildings	150,667	63 refugees out of 281 students (22 percent refugee access)

24. The above indicated weaknesses in project selection with such decisions left to sub-offices without set criteria to guide the process. It also raised concerns about the effective use of limited funds. Although the projects were suspended on the basis that they failed to demonstrate value, the Representation commenced direct implementation of similar projects without applying lessons learned to ensure cost-effective investments.

(2) The UNHCR Representation in Pakistan should redesign its livelihoods programme including clear criteria for the selection of projects to ensure they foster self-reliance within the country's legal framework and benefit refugees and asylum seekers.

UNHCR accepted recommendation 2 and stated that the Representation is in the process of restructuring its livelihoods programming, with a revised strategy drafted that prioritizes training Afghan refugee youth in construction-related trades and skills.

B. Programme efficiency

25. Despite a reduction in the Representation's resources, from \$91 million in 2022 to \$56 million in 2024, the Representation did not pursue opportunities for more efficient and cost-effective ways of delivering programmes, particularly those that were implemented by government partner as noted below.

Inefficiencies were noted in project implementation

26. In addition to meeting all the government partner's operational costs,⁵ the Representation also paid fees for the renewal of identification documents services the government partner offered to displaced persons. This represented a double charge and resulted in an additional payment of \$1 million to the government for services rendered. Additionally, the government partner rented vehicles totaling \$112,526 for non-programme related activities. OIOS also noted that the data processing clerks contracted through the government partner were underutilized as reflected in Table 2 below. For example, at the Peshawar Centre, only 7 of the 14 clerks (50 per cent) had active service counters and were able to work. The

⁵ These included operational support costs such as vehicle rentals, personnel costs and software as well as transaction charges for refugee services e.g., fingerprint identification, smart card production, and birth certificates.

Representation indicated that it had initiated engagement with the government partner on the latter's structure and staffing.

Table 2: **Staff utilization at different centers**

	Number of data processors	Cases that should have been processed daily	Number actually processed	Capacity utilization rate (%)
Peshawar PCM Centre	5	400	40	10
Kohat PoR Centre	4	320	100	31
Rawalpindi Reception Centre	4	100	27	27
Peshawar Reception Centre	4	100	23	23
Peshawar Voluntary Repatriation Centre	5	750	160	21

27. OIOS also observed instances of inefficiencies in implementing projects for the livelihoods programme:

- The government partner was selected to implement a livelihoods project but it instead subcontracted this to a local NGO. This increased overall programme overhead costs by \$285,000 between 2022-2023. This local NGO was also implementing an education programme, thereby receiving funds for salaries and administrative costs under both programmes.
- The Representation built a center at a cost of \$305,000 in 2023 to support the Afghan weavers that would produce 7,000 meters of carpet annually. Gaps in the planning and execution of this carpet weaving programme resulted in the following inefficiencies: (a) the constructed center accommodated only four of the 10 recommended looms and served just 25 of the 205 assessed weavers, falling short of its intended capacity and impact. The limited space left refugees weaving carpets in open areas, thereby exposing their work to dirt and rain: and (b) the Representation also procured poor-quality raw materials, domestic cloth dryers instead of industrial carpet dryers, and vertical looms rather than the preferred horizontal ones. The Representation incurred additional costs to address these issues including purchasing two horizontal looms.

(3) The UNHCR Representation in Pakistan should address identified inefficiencies in programme implementation, notably in the documentation service run by the government partner, including making warranted recoveries.

UNHCR accepted recommendation 3 and stated that the closure of PCM centres under the Illegal Foreigners Repatriation Plan (IFRP) Phase 3 has prompted a review of future engagement with its partner, including possible repurposing of the centres for visa processing. Additionally, it emphasized that the partnership model remained aligned with the Government's approach to issuing identity documents, and therefore no financial recoveries are warranted.

Inefficiencies noted in programme delivery modality

28. As an important programme delivery modality for implementation of well-being and basic needs, education and livelihoods programmes, the Representation distributed Non-Food Items (NFIs) totaling \$37.5 million in addition to the \$36 million of Cash Based Interventions (CBIs).

29. The approach was not in alignment with UNHCR's strategic direction to prioritize the latter over the former as the programme delivery modality (CBIs were not only considered a more efficient service delivery modality but also because it offered refugees greater autonomy and dignity).

- (4) The UNHCR Representation in Pakistan should enhance the cost-effectiveness of programme delivery through scale up of the use of cash assistance as the preferred modality for service delivery.**

UNHCR accepted recommendation 4 and stated that cash assistance is the preferred modality in line with global policy with the operation and only maintaining a contingency stock for emergencies, with no NFI procurement planned for 2025 and beyond.

C. Programme delivery modalities

Cash Based Interventions were not managed well

30. The Representation implemented the CBI programme totaling \$36 million to 1.3 million Afghan refugees and asylum seekers in 2022, 2023 and 2024. The audit reviewed CBI activities valued at \$10.2 million, comprising of more than 10,000 distribution records. Audit tests included checking for duplicate payments, examining bank reconciliations and linkages to beneficiary lists, analyzing the financial service provider distribution lists to identify uncollected payments, and assessing related documentation and procedures for beneficiary eligibility verification and the management of beneficiary lists. These tests revealed gaps in the management of CBIs and related internal controls, including the following.

- The Representation used the 2019 Minimum Expenditure Basket developed by the cash working group to determine the assistance to displaced persons. This basket however was outdated and did not reflect prevailing needs. The limited information sharing among members of the cash working group also raised the risk of gaps and duplications in the distribution of cash assistance to beneficiaries.
- The Representation incurred a foreign exchange loss of \$5.1 million due to its advancing six months' worth of CBI funds in local currency to a local bank amid ongoing currency devaluations during the audit period. In these circumstances, the disbursement of funds to the local bank should have been aligned to immediate programmatic requirements.
- The review of 80 bulk distribution transactions worth USD 401,000 revealed that the Representation did not have documentation to evidence the distribution of CBIs totaling \$259,362 under the livelihoods programme in 2022 and 2023. Discrepancies were also noted between allocated and disbursed amounts as well as the number of beneficiaries on the records and amounts disbursed in these transactions.
- The Representation's failure to reconcile CBIs transfers to distributions in a timely manner weakened the controls over cash distribution. For example, it did not identify an unutilized cash balance of \$5 million in 2022. Further, the financial service provider retained 13,686 uncollected CBIs totaling \$846,654 between June and December 2023. Moreover, undistributed funds were stored in an office safety box and used as petty cash instead of being banked intact as required in the SOPs.
- Additionally, the prevalence of registration cards with different details resulted in 5 of the 14 randomly selected families receiving duplicate payments.

31. Gaps in the SOPs compounded the weaknesses in the management of CBIs. For instance, they did not require that: (i) cash transfers be reconciled to monies distributed to beneficiaries; (ii) unclaimed funds be followed up and recovered; and (iii) cash distributions be monitored to ensure that they are effective in

meeting objectives and there is no duplication of assistance. The Representation initiated a review of the SOPs to address these control deficiencies after the audit field work.

32. The Representation was also not using CashAssist, UNHCR's system for managing cash assistance, citing the lack of data-sharing agreements with the Government. Additionally, the ProGres database was not consistently updated; with instances noted where relatives of deceased beneficiaries continued to collect cash assistance designated to the deceased beneficiary.

(5) The UNHCR Representation in Pakistan should strengthen the cash based intervention through: (a) reinforcing its procedures for disbursing, reconciling, accounting for and monitoring cash assistance; (b) working with the cash working group to review the minimum expenditure basket and enhance information sharing modalities to mitigate risk of duplication; and (c) implementing the CashAssist system to aid the efficient distribution of cash assistance.

UNHCR accepted recommendation 5 and stated that: (i) due to illegal foreigners repatriation plan and the invalidation of POR cards, refugees now face challenges accessing financial services, so Emergency Cash Assistance procedures are being applied and integrated with GDT; (ii) SOPs for cash-based interventions are under revision, with enhanced accountability through KoBo forms, staff/video monitoring during disbursements, and improved partner financial reconciliation and verification; and (iii) UNHCR participates actively in the Cash Working Group and supports MEB assessments; and (iv) the Representation is rolling out CashAssist to strengthen cash programming.

The controls for Non-Food Items were weak

33. OIOS noted the following gaps in the Representation's management and accountability for NFIs worth \$37.5 million during the audit period.

- The Representation did not maintain proper records to account for what was received and distributed. For instance, it released 525,088 items in 2022 based on 106 emails rather than formal stock requests as stipulated in UNHCR guidance for NFIs. Further, over 500 distributed items between 2022 and 2024 lacked adequate documentation such as distribution lists.
- Many NFIs, such as education and community-based protection items, remained undistributed in warehouses in Peshawar and Quetta due to inadequate planning. The Representation also did not monitor inventory aging or warehouse space utilization, leading to underused space and obsolete NFIs totaling \$21,852. The Representation attributed this to issues with its migration to Cloud ERP.
- The livelihoods and economic inclusion partner did not have a list detailing beneficiaries of the livelihoods kits nor an inventory list of the items held in its stores. Thus, at least 46 out of 1,500 beneficiaries reported that they did not receive their kits resulting in the Representation having to purchase additional items.
- The Representation did not conduct real time and post-distribution monitoring and thus lacked evidence that NFIs reached intended beneficiaries as well as independent feedback on the adequacy and effectiveness (quality, sufficiency, and utilization) of NFIs in mitigating protection risks among displaced persons.
- The Representation's failure to implement prior security assessment recommendations resulted in the reported theft of NFIs. Specifically, of the 60 randomly sampled NFI items for OIOS review, nine items were confirmed to have been stolen.

(6) The UNHCR Representation in Pakistan should reinforce its capacity to implement controls related to the receipt, storage, distribution, accounting and monitoring of non-food items.

UNHCR accepted Recommendation 6 and stated that the Representation has revised NFI distribution, monitoring and warehouse management SOPs to improve control, storage, and reporting, while the enhancement of warehousing security measures is planned for 2025.

There were control weaknesses in the implementation of construction projects

34. OIOS noted gaps in the Representation's controls over procurement for and supervision of the construction projects that negatively impacted the value obtained from the construction projects.

(a) Gaps in the procurement

35. The Representation did not always use the most appropriate solicitation method. For example, the use of a request for proposal (RFP) instead of an invitation to bid (ITB)⁶ for the construction of protection walls in Balochistan increased the project cost by \$132,000; and the use of a RFP, instead of a request for quotation (RFQ), was more suitable for the construction of a gym and offices in Peshawar. In the latter case, only two of the three vendors invited to bid responded and the selected vendor omitted steel from their quotation, necessitating the Representation to issue additional RFQs.

36. Additionally, the Representation did not prequalify suppliers nor restrict the tender for neo-natal intensive care equipment totaling \$435,000 to authorized medical equipment vendors. Consequently, 20 of the 31 pieces of medical equipment procured did not meet specifications and an inspection undertaken resulted in the rejection of the remaining 11 items, the payment for which should be recovered.

37. In another case, the Representation purchased solar panels, batteries and inverters totaling \$5.4 million for 103 schools, 14 hospitals, and 4 livelihoods facilities. Despite having two in-house solar experts and headquarter technical support, the Representation opted to hire consultants to manage the process which came with an additional cost of \$330,000. Furthermore, the review of the vendor selection process revealed the following issues:

- Weaknesses in the selection criteria resulted in the selected contractor having limited relevant solar experience. Vendors were required to demonstrate experience for projects totaling only \$2,000 for a \$5.4 million project. No reference checks were conducted nor visits made to bidders' project sites.
- The bids for galvanized steel for mounting the panels were based on the cost per kilowatt of solar panels as opposed to length which is the standard unit of measurement. This led to inconsistent quotations thereby complicating the comparison of offers received. Moreover, it would have been more cost-effective for the Representation to procure the steel directly from manufacturers. Also, vendors did not supply 31 school sites with the required cabinets for safety purposes.
- Two out of the four selected vendors did not have the mandatory certification. They passed the technical evaluation by submitting certificates of third-party certified firms that were not involved in the execution of the contracts.

⁶ ITB is best when there are exact specifications and the lowest price meets the need. RFP is best when one needs to evaluate approaches, skills, and solutions.

(b) Gaps in the supervision of constructions

38. The Representation signed a \$1.7 million contract with a government partner to design and supervise the constructions of schools, vocational institutions and health centers. Despite having a contract for the supervision of all construction projects in the country, the Representation signed an additional and apparently duplicative contract with the same government partner totaling \$264,000 to supervise projects in Chitral, DI Khan, and Bannu districts. OIOS further noted that the partner was charging fees as a percentage of total construction costs rather than a fixed rate. This resulted in excessive charges, especially since the classrooms, toilets, and washbasins had identical designs. As construction costs rose due to inflation, so did the design and supervision fees, further inflating overall project costs.

39. Furthermore, the Representation did not have systems in place to verify the accuracy of invoices submitted in bulk for multiple projects supervised, raising the risk of overbilling. The payments were also not supported by documentation to evidence the project supervision. The audit also questioned the quality of supervision conducted by this partner over constructions. For instance, issues in the construction of the carpet weaving center totaling \$305,000 (para 27 refers) were only identified and rectified at the tail-end of the project, raising questions on the effectiveness of the supervision.

(7) The UNHCR Representation in Pakistan should address gaps in its bidding, evaluation, contracting and monitoring of construction contractors.

UNHCR accepted recommendation 7 and stated that the Representation, with regional bureau support, has strengthened its bidding process through proper solicitation methods, evaluation criteria, and technical evaluation. Further, the Representation is standardizing the project cycle using the Construction Management Companion and mandatory checklists, applying these to ongoing projects, and expanding virtual monitoring tools from energy to all infrastructure projects.

The funded partnerships needed to be reviewed

40. The Representation delegated the implementation of 70 percent of programme-related expenditure to partners, with 17 per cent of the funded partners expenditure designated to government partners. However, there were several gaps in the management of these partnerships, as presented across other sections of this report. Additionally, OIOS noted the following strategic issues for the management of the funded partnership:

- Despite a reduction in the programme budget and contrary to UNHCR policy, the number of partners increased from 25 in 2022 to 34 in 2024, indicating absence of strategic consideration of the funded partnership as an implementation modality in the new operational context.
- The gaps in the partner selection process were evident as some of the selected partners had well-known limited capacity to implement programmes efficiently and in a cost-effective manner.
- The Representation did not provide effective monitoring of programmes implemented by funded partners. While government partner played a critical role in delivering services to displaced persons, the Representation faced challenges in managing this partnership.

- (8) The UNHCR Representation in Pakistan should: (a) review its partner numbers to ensure that they are optimal for the delivery of services in a cost-effective manner and within available resources; and (b) develop a plan to reinforce its funded partner management including selection and monitoring.**

UNHCR accepted recommendation 8 and stated that the Representation through its 2025–2027 partner selection process managed to reduce partnership agreements from 34 to 28 for greater efficiency, in line with UNHCR’s partnership management policy and SOPs. Further, due diligence was conducted, results frameworks strengthened, and monitoring ensured through COMPASS, Partnership Framework Agreements, ActivityInfo, and financial/performance verifications, with the next selection exercise planned for 2027 to achieve further partner reductions.

D. Information technology systems and management capacity

The Representation did not adequately implement UNHCR’s core information technology systems

41. The limited capacity of staff to use UNHCR’s core information technology systems impacted the reliability and availability of data for programme management and decision-making. For instance, the Representation was unable to provide the auditors with 2023 expenditure by output areas from the Cloud ERP. Further, the reported financial figures for the livelihoods programme for 2023 and 2024 were estimates due to issues with related records in the Cloud ERP system.

42. Furthermore, the COMPASS (the results-based management support system for strategic planning, budgeting, monitoring and reporting) lacked credible information to support the measurement of performance of implemented programmes. The system did not have 2024 programme data at the time of the audit. Further:

- The system had incomplete results frameworks. For example, the GBV programme indicators lacked established baselines and targets making it difficult to accurately measure performance. The livelihoods programme had one indicator in COMPASS and it measured only financial inclusion and was thus irrelevant in assessing the effectiveness of the livelihoods programme. This indicator did not have set baselines or targets, thereby making the reported 4.5 per cent result difficult to interpret.
- The Representation lacked documentation to support reported results in COMPASS. For example, the Representation could not substantiate its claim of having supported 73 per cent of GBV survivors in 2023. It also could not substantiate that 77 and 68 per cent of refugees and asylum seekers were registered on an individual basis and had legally recognized identity documents, respectively.
- The Representation did not analyze reasons for non-performance nor took appropriate action to address it. For example, the percentage of children under 5 years of age registered with a civil authority was 16 per cent in 2023 against a baseline and target of 57 and 100, respectively.

43. Also, as presented earlier, the Representation did not have a GBV Information Management System for its collection, analysis and sharing of data on the effectiveness of interventions. ProGres was also not updated to reflect support and assistance provided to survivors. Thus, the Representation did not have reliable data to inform its programme design, planning and decision making. Additionally, as reflected in paragraph 34 above, the failure by the Representation to use CashAssist, impacted on programme delivery.

(9) The UNHCR Representation in Pakistan should in collaboration with the Regional Bureau for Asia and the Pacific: (a) strengthen staff capacity to use core UNHCR systems particularly, Cloud ERP and COMPASS; and (b) review results frameworks so they are robust in measuring programme success.

UNHCR accepted recommendation 9 and stated that staff capacity on corporate systems has been strengthened through targeted training and refresher sessions on COMPASS, Cloud ERP, and PROMS. Further, its 2025–2027 results framework has been streamlined to ensure partner activities are effectively captured and monitored in COMPASS and partnership agreements.

Need to review the management structure and staff capacity

44. The Representation lacked adequate programme controls, particularly over construction and livelihoods projects. As the first line of defense, the Representation did not identify and mitigate key risks affecting the achievement of strategic objectives, and did not ensure compliance with UNHCR rules, resulting in weaknesses in safeguarding UNHCR resources. As a result, the audit identified significant inefficiencies in programme decision-making and implementation that could have been avoided through sound financial management and adherence to value-for-money principles in the selection and execution of projects.

45. A review of a sample of critical staff positions at the Representation to assess skills and experience requirements and alignment to the mandate of efficient and cost-effective delivery of programme activities indicated gaps in the management structure and staffing capacity. Furthermore, WorkDay, the UNHCR human resource management system, did not contain reliable data since individual staff members were required to update their records by themselves without independent validation and approval, rendering the data and information unreliable.

(10) The UNHCR Representation in Pakistan should review its structure and staffing capacity to deliver its mandate, in an efficient and cost-effective manner.

UNHCR accepted recommendation 10 and stated that the Representation conducted a structural and staffing review in 2024 with recommendations implemented in 2025, followed by a supplementary review in 2025 to align with evolving operational and financial contexts. Staffing levels have since been reduced by 7 percent in 2025, with a further 14 percent reduction expected in 2026, which may challenge the operation's protection capacity.

IV. ACKNOWLEDGEMENT

46. 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 Pakistan for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁷ / Important ⁸	C/O ⁹	Actions needed to close recommendation	Implementation date ¹⁰
1	The UNHCR Representation in Pakistan should reinforce the effectiveness of its protection programme by: (a) strengthening its mechanisms for collecting, analyzing and reporting programme data; and (b) addressing identified gaps in protection services provided to children and gender-based violence survivors.	Important	O	Submission of the documentation to evidence: (i) strengthened data management processes across key programmes; (ii) enhanced quality of services provided to children and gender-based violence survivors.	30 June 2026
2	The UNHCR Representation in Pakistan should redesign its livelihoods programmes including clear criteria for the selection of projects to ensure they foster self-reliance within the country's legal framework and benefit refugees and asylum seekers.	Important	O	Submission of the documentation to evidence: (i) re-designed livelihood programmes to enhance impact; and (ii) strengthened results framework for the livelihood programme performance measurement.	31 December 2026
3	The UNHCR Representation in Pakistan should address identified inefficiencies in programme implementation, notably in the documentation service run by the government partner, including making warranted recoveries.	Important	O	Submission of the documentation to evidence an implemented resource allocation system that aligns partner staffing levels to operational needs.	30 June 2026
4	The UNHCR Representation in Pakistan should enhance the cost-effectiveness of programme delivery through scale up of the use of cash assistance as the preferred modality for service delivery.	Important	O	Submission of the documentation to evidence scaled up cash assistance over non-food items.	31 December 2026*
5	The UNHCR Representation in Pakistan should strengthen the cash based intervention through: (a) reinforcing its procedures for disbursing, reconciling, accounting for and monitoring cash	Important	O	Submission of the documentation to evidence: (i) strengthened cash-based interventions programme design that responds to needs and safeguards UNHCR resources; (ii) cleaned cash-	30 June 2026

⁷ 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.

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.

⁹ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

¹⁰ Date provided by UNHCR in response to recommendations (except * provided by OIOS)

STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical ⁷ / Important ⁸	C/O ⁹	Actions needed to close recommendation	Implementation date ¹⁰
	assistance; (b) working with the cash working group to review the minimum expenditure basket and enhance information sharing modalities to mitigate risk of duplication; and (c) implementing the CashAssist system to aid the efficient distribution of cash assistance.			based interventions database to ensure accurate, non-duplicated beneficiary data; and (iii) strengthened distribution controls and accountability of the resources provided to financial service providers.	
6	The UNHCR Representation in Pakistan should reinforce its capacity to implement controls related to the receipt, storage, distribution, accounting and monitoring of non-food items.	Important	O	Submission of the documentation to evidence strengthened controls over storage, distribution, monitoring and accounting of NFI.	31 December 2025
7	The UNHCR Representation in Pakistan should address gaps in its bidding, evaluation, contracting and monitoring of construction contractors.	Important	O	Submission of the documentation to evidence: (i) efficient planning, fair costing, and equitable project benefits; (ii) strengthened procurement and construction contracts management; and (iii) optimized internal technical resources in the construction projects.	30 June 2026
8	The UNHCR Representation in Pakistan should: (a) review its partner numbers to ensure that they are optimal for the delivery of services in a cost-effective manner and within available resources; and (b) develop a plan to reinforce its funded partner management including selection and monitoring.	Important	O	Submission of the documentation to evidence: (i) optimized funded partners based on comparative analyses of implementation modalities; and (ii) enhanced results framework with indicators and measured programme performance.	31 December 2026
9	The UNHCR Representation in Pakistan should in collaboration with the Regional Bureau for Asia and the Pacific: (a) strengthen staff capacity to use core UNHCR systems particularly, Cloud ERP and COMPASS; and (b) review results frameworks so they are robust in measuring programme success.	Important	O	Submission of the documentation to evidence: (i) competent staff in the use of core information systems; and (ii) enhanced results frameworks used for measuring programme success.	31 March 2026
10	The UNHCR Representation in Pakistan should review its structure and staffing capacity to deliver its mandate, in an efficient and cost-effective manner.	Important	O	Submission of the documentation to evidence: (i) an optimized staffing structure appropriate for the implementation of the Representation's mandate; and (ii) staff qualifications and experience matched with job requirements.	31 December 2026*

APPENDIX I

Management Response

MANAGEMENT RESPONSE

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

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
1	The UNHCR Representation in Pakistan should reinforce the effectiveness of its protection programme by: (a) strengthening its mechanisms for collecting, analyzing and reporting programme data; and (b) addressing identified gaps in protection services provided to children and gender-based violence survivors.	Important	Yes	Assist Representative (Protection)	30 June 2026	Since the start of the audit in October 2024, the operational context in Pakistan has shifted considerably, with Phase 2 of the Illegal Foreigners Repatriation Plan (IFRP) starting in April 2025, and Phase 3, targeting refugees with POR cards, announced by the Government of Pakistan on 31 July 2025, through a Statutory Regulatory Order (SRO). This order directs all Afghans to leave Pakistan, unless they possess valid visas, and considers former POR card holders henceforth as being unlawfully in the country. Government-run centres updating refugee documentation (PCM centres) were closed in August 2025 by GoP as a result of this decision. UNHCR Pakistan has consequently adjusted its approach to focus on advocacy towards 1) exempting Afghans with international protection needs from forced return; 2) implementing the existing GoP policy for a visa regime for POR cardholders with longstanding links to Pakistan,

¹¹ 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.

¹² 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 ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						which has never been activated; and 3) extending a grace period for returns to take place in dignity. Within this context, and to address the specificities of the recommendation, UNHCR has taken the following steps: a) In order to strengthen mechanisms for collecting, analyzing and reporting data, the operation is carrying out a verification of all refugees and asylum seekers registered with UNHCR. Furthermore, GDT will be implemented to track assistance distribution, allowing the triangulation of data with border monitoring tools to inform the active population for program interventions. b) GBV: UNHCR Pakistan is working closely with the GBV Sub-Sector lead (UNFPA) to harmonize GBV Standard Operating Procedures for all GBV actors in Pakistan, and to improve referral pathways for service provision. UNHCR Headquarters (DIP) advises all GBV partners to utilize the GBV Information Management System (GBVIMS) for data collection and analysis in line with interagency data sharing protocols. In alignment with this guidance, UNHCR will support partners in the implementation of

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						GBVIMS where applicable, in collaboration with UNFPA. UNHCR monitors partners' implementation of GBV activities through client feedback surveys, provision of training, and usage of tools which examine the qualification of caseworkers, thereby permitting UNHCR to identify concerns and gaps, and to address them through appropriate support and guidance on GBV case management to partners. The operation continues to promote GBV awareness through targeted community outreach and safety audits, aimed at enhancing disclosure and improving access to support services. However, underreporting remains a significant challenge, primarily due to stigma and fear of retaliation. The implementation of the IFRP since 2023 has further exacerbated the situation for GBV survivors, many of whom already face serious safety and security concerns. As a result, some individuals have become unreachable or untraceable, with intermittent loss of contact adversely affecting the delivery of essential services. c) Child Protection: In accordance with UNHCR's 2021 BIP Guidelines: not all forcibly displaced children are

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						considered at heightened protection risk and therefore in need of individual child protection interventions. Therefore, Pakistan's Best Interests Procedures (BIP) SOPs (2022) prioritize interventions for children who are identified to be at heightened protection risk. Refugees registered with the Government of Pakistan (ACC or POR card holders) are by definition not registered with UNHCR. Therefore, UNHCR and its partners identify children at heightened risk through multiple channels, including community networks, outreach activities, registration exercises, helplines, and other referrals. For those identified to be at heightened protection risks, appropriate child protection services are provided accordingly both in coordination with service providers (such as schools, healthcare, psychosocial support), and through implementation of UNHCR's partnership agreements. (such as case management services/BIP, emergency cash assistance, family tracing, alternative care, counselling) UNHCR Pakistan uses ActivityInfo as the primary tool for monitoring and reporting on the child protection response. Through this platform,

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						UNHCR's implementing partners provide information/results on the implementation of child protection activities for forcibly displaced children in Pakistan. All UNHCR child protection partners report against the agreed operational indicators on a quarterly basis, and the data is subsequently reviewed and validated by UNHCR child protection focal points to ensure accuracy and reliability. The validated information from ActivityInfo is fed into UNHCR's COMPASS system, that supports broader organizational monitoring, planning, and reporting processes. d) Education: The low enrolment figures highlighted in the audit stem from the methodology used: the analysis was based on enrolment in Refugee Village (RV) schools but was compared to the total school-age refugee population. This methodology thus excluded refugee children enrolled in public schools in urban areas, where approximately 70% of the refugee population resides. Through sustained engagement with the Pakistan Institute of Education (PIE) - the Ministry of Education's data and research agency - refugee enrolment data is now being captured

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						more accurately. This has led to a significant adjustment in enrolment figures, rising from 12% to around 32% overall.
2	The UNHCR Representation in Pakistan should redesign its livelihoods programmes including clear criteria for the selection of projects to ensure they foster self-reliance within the country's legal framework and benefit refugees and asylum seekers.	Important	Yes	Senior Programme Officer	31 December 2026	UNHCR Pakistan has already taken the following actions to address this recommendation: The operation is currently in the process of restructuring its livelihoods programming. A revised livelihoods strategy has been drafted and identifies the construction sector as a priority area for training Afghan refugee youth in relevant trades and skills. Since the implementation of Phases 2 and 3 of the IFRP, the refugee situation in Pakistan remains unpredictable, hampering the implementation of UNHCR's Skill Development Projects through partners. The outlook for Afghan refugees in Pakistan continues to be uncertain, posing significant challenges for planning skill training projects in 2026 and 2027.
3	The UNHCR Representation in Pakistan should address identified inefficiencies in programme implementation, notably in the documentation service run by the government partner, including making warranted recoveries.	Important	Yes	Deputy Representative	30 June 2026	As a result of GoP's implementation of IFRP Phase 3, all PCM centres were closed in August 2025. UNHCR is currently reviewing the future engagement with its partner for possible alternative cooperation, including repurposing of these centers for potential visa processing.

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						Notwithstanding this development, UNHCR reaffirms that the model used for our partnership agreement with the government registration partner aligns with GoP's established approach for issuing of identity documents to nationals and as such there are no warranted recoveries.
4	The UNHCR Representation in Pakistan should enhance the cost-effectiveness of programme delivery through scale up of the use of cash assistance as the preferred modality for service delivery.	Important	Yes	Senior Programme Officer	Implemented	The operation considers this recommendation as implemented: Cash assistance is already a preferred modality for service delivery, in line with UNHCR global policy, as explained in the findings. UNHCR Pakistan plans to maintain only a contingency stock for future emergencies. No procurement of NFIs is planned for 2025 or onwards.
5	The UNHCR Representation in Pakistan should strengthen the cash based intervention through: (a) reinforcing its procedures for disbursing, reconciling, accounting for and monitoring cash assistance; (b) working with the cash working group to review the minimum expenditure basket and enhance information sharing modalities to mitigate risk of duplication; and (c) implementing the CashAssist system to aid the efficient distribution of cash assistance.	Important	Yes	Senior Programme Officer	30 June 2026	As a result of IFRP Phase 3, and the consequent non-validity of POR cards, Afghan refugees with POR cards face challenges to financial services. As such, the operation will apply the Emergency Cash Assistance (ECA) procedures in section (a). The operation is in the process of revising the SOPs for cash-based interventions, by ensuring the ECA is implemented through the use of GDT. As part of the procedures, all assessments are undertaken through a revised KoBo form which includes the risk and incident elements for protection beside the SPN. Home visits and medical endorsements have

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						also been streamlined using Kobo forms that are linked to the initial assessment for accountability. UNHCR staff presence during cash disbursement, in cases where physically not possible, is ensured through video call. The operation has supported partners in improving the financial records maintained and the financial reconciliation of CBI payments made by the partner. Calls are also made to beneficiaries to verify receipt of CBI payments on sample basis. The findings of the reconciliation and verification calls are also reflected in the PMC-03. UNHCR continues to actively engage as a member of CWG. The CWG recently conducted an assessment and a draft MEB report is under review by the working group members. The operation is in the process of rolling out CashAssist.
6	The UNHCR Representation in Pakistan should reinforce its capacity to implement controls related to the receipt, storage, distribution, accounting and monitoring of non-food items.	Important	Yes	Deputy Representative	31 December 2025	In order to streamline all warehouse management activities, and as capacity building, the operation has issued a revised warehouse management SOP covering the movement and storage of NFIs, providing adequate control and reporting tools for effective management.

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						The provisions in this SOP are already being implemented. The implementation of warehouse security measures is also underway, subject to budget availability, in 2025. The NFI management SOPs have been developed, which will enhance control and compliance in the provision of NFIs. As mentioned above, the preferred assistance modality which the operation enhances is Cash. However, for any emergency situations that compel provision of in-kind assistance, the SOP for NFI is in place.
7	The UNHCR Representation in Pakistan should address gaps in its bidding, evaluation, contracting and monitoring of construction contractors.	Important	Yes	Senior Supply Officer	30 June 2026	The operation, with the support of regional bureau, has addressed the gaps in its bidding process (i.e., all tenders above USD 250,000 are reviewed by the regional supply unit), notably by: - Selecting the appropriate solicitation method, - Setting appropriate evaluation criteria - Setting technical evaluation committee reflecting appropriate technical knowledge and background as per the SOP; - UNHCR will sign our own Frame Agreements with the selected companies using terms, conditions and pricing structures established by UNICEF LTAs

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						The operation is standardizing the whole project cycle utilizing the “Construction Management Companion” launched in February 2025, adapting it to the contextual requirements. These standardized procedures will harmonize practices across the operation, encompassing project selection, project implementation, payment to vendors, and handover. Due to the current situation with IFRP, no new projects have been initiated. However, standardized procedures will be applied to all ongoing projects. The operation successfully utilized virtual monitoring tools for tracking implementation of energy projects. The same will now be extended to all infrastructure projects.
8	The UNHCR Representation in Pakistan should: (a) review its partner numbers to ensure that they are optimal for the delivery of services in a cost-effective manner and within available resources; and (b) develop a plan to reinforce its funded partner management including selection and monitoring.	Important	Yes	Senior Programme Officer	Implemented	The operation considers this recommendation as implemented: The operation completed the partner selection for the 2025– 2027 Multi-Year Strategy through a call for expressions of interest. As a result of the efforts made to ensure optimization of resources and program efficiency, the operation made a reduction in the number of partnership agreements, from 34 in 2024 to 28 in 2025. The review of the number, type and scale of partnerships

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						will continue especially given developments in 2025. The next partner selection exercise will be conducted for the next MYS planning cycle and is expected to take place in 2027. The selection of partners for the duration of the MYS 2025-2027 was done in line with the requirements of UNHCR AI/2023/05/Rev01 Administrative instruction on procedures on partnership management, and the contextualized SOPs for selection of roster partners. Due diligence was conducted for all the new partner organizations onboarded for 2025-2027 implementation. As a part of the MYS 2025-2027 the operation has streamlined and elaborated its results framework and indicators to ensure that the activities delivered both by partners and UNHCR direct implementation are effectively reflected in the COMPASS and PFAs and thus can be regularly monitored and reported on. In line with the requirements laid out in the partnership management handbook, partners undergo financial and performance verification exercises. The frequency of these exercises is determined by the risk profile of the partner and their internal

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						controls assessment rating. The findings of the financial and performance verifications are reported in the standard PMC-02 and PMC03s (accessible through PROMs). Any issues observed during the monitoring and verification of partner are also recorded as issues in PROMs and followed up with the partner until they are resolved. The operation also uses Activity-Info as a reporting tool for partners. The inputs from partners are reported in Compass after clearance from results managers.
9	The UNHCR Representation in Pakistan should in collaboration with the Regional Bureau for Asia and the Pacific: (a) strengthen staff capacity to use core UNHCR systems particularly, Cloud ERP and COMPASS; and (b) review results frameworks so they are robust in measuring programme success.	Important	Yes	Deputy Representative	31 March 2026	Substantive efforts to strengthen staff capacity on recently launched corporate systems have already been implemented and continue to be scaled up with the support of RB and HQ facilitated webinars. Targeted technical training has been delivered across units on COMPASS, Cloud ERP, PROMS through multiple refresher sessions in 2026. In addition to targeted training, RB will continue offering various training opportunities across the region to further enhance staff capacity to effectively use corporate tools. As a part of the MYS 2025-2027 the operation has also streamlined and elaborated its results framework and indicators to ensure that the activities

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						delivered by partners are effectively reflected in COMPASS and PFAs and thus can be regularly monitored and reported on.
10	The UNHCR Representation in Pakistan should review its structure and staffing capacity to deliver its mandate, in an efficient and cost-effective manner.	Important	Yes	Representative	Implemented	UNHCR considers this recommendation to have been implemented as elaborated below: A comprehensive Structural and Staffing Review was conducted with support of Strategic Workforce Planning Section, DHR and the Regional Bureau for Asia and the Pacific in late 2024 with fieldwork being conducted in June 2024 by a visiting mission. The recommendations were implemented to take effect in 2025. Pursuant to this formal review (report and implementation evidence to be provided), the operational context has evolved significantly—not only within Pakistan but also at the regional and global levels —necessitating substantial adjustments in response to the current funding environment. As a result, since the completion of the audit, the operation has already undertaken a supplementary staffing review in May 2025, which resulted in a series of position changes across both local and international functions. These changes were recorded and implemented to ensure alignment with the evolving operational and financial context. Operation has significantly

Rec. no.	Recommendation	Critical¹¹/ Important¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						reduced its staffing capacities, as part of ongoing organizational reform, which will inevitably lead to challenges in meeting its protection mandate. In 2025 the operation has reduced its staffing capacity by 7% compared to 2024 and another 14% reduction is expected for 2026.