



INTERNAL AUDIT DIVISION

REPORT 2014/149

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

Overall results relating to management of the
operations in Turkey were initially assessed
as unsatisfactory. Implementation of one
critical and seven important
recommendations remains in progress.

FINAL OVERALL RATING: UNSATISFACTORY

22 December 2014

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AUDIT REPORT

Audit of the operations in Turkey 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 operations in Turkey for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure: (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. The UNHCR Representation in Turkey (hereinafter referred to as the 'Representation') commenced its operations in 1960. As at October 2013, it was assisting approximately 600,000 Syrian refugees and approximately 22,000 other non-European refugees. The Representation supports the Government of Turkey in the provision of emergency support, including shelter, non-food relief items, health and education, to Syrian refugees. It ensures protection of refugees by establishing linkages with the Government departments and international humanitarian agencies. For the other refugees, it conducts refugee status determination and explores opportunities for durable solutions.
4. The Representation has a branch office in Ankara, two field offices in Gaziantep and Van and four field units in Islamabad, Adana, Hatay and Sanliurfa. As at 31 October 2013, the Representation had 197 posts of which 184 were filled. In 2012, the total expenditure of the Representation was \$32.0 million. The budget for 2013 was \$50.5 million, with \$45.0 million (89 per cent) allocated for the Syrian situation and \$5.5 million (11 per cent) for regular operations.
5. Comments provided by the Representation are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of UNHCR governance, risk management and control processes in providing reasonable assurance regarding the **effective management of UNHCR operations in Turkey**.
7. This audit was included in the 2013 risk-based internal audit work plan for UNHCR due to risks associated with the emergency situation arising out of the influx of Syrian refugees to Turkey.
8. The key controls tested for the audit were: (a) project management; and (b) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:
 - (a) **Project management** - controls that provide reasonable assurance that there is accurate and complete monitoring and reporting of project activities.
 - (b) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures exist and are adequate and effective.

9. The key controls were assessed for the control objectives shown in Table 1.
10. OIOS conducted this audit from November 2013 to March 2014. The audit covered the period from 1 January 2012 to 31 October 2013.
11. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

12. The UNHCR governance, risk management and control processes examined were initially assessed as **unsatisfactory**¹ in providing reasonable assurance regarding the **effective management of UNHCR operations in Turkey**. OIOS made nine recommendations to address issues identified in the audit.
13. Project management was assessed as unsatisfactory because the Representation did not put in place adequate arrangements for monitoring and reporting on the distribution of core relief items to beneficiaries. The Representation also needed to strengthen fraud control mechanisms for refugee status determination and resettlement operations. Other areas requiring action to strengthen existing controls included best interest determination, the payment of financial assistance to persons with specific needs, verification of the expenditures incurred by partners, and monitoring of partners' procurement activities.
14. Regulatory framework was assessed as partially satisfactory because the Representation needed to implement competitive procurement procedures for, *inter alia*, the provision of travel, lodging and health facilities to refugees.
15. The initial overall rating was based on the assessment of key controls presented in Table 1. The final overall rating is **unsatisfactory** as the implementation of one critical and seven important recommendations remains in progress.

Table 1
Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of UNHCR operations in Turkey	(a) Project management	Unsatisfactory	Unsatisfactory	Unsatisfactory	Unsatisfactory
	(b) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: UNSATISFACTORY					

¹ A rating of “**unsatisfactory**” means that one or more critical and/or pervasive important deficiencies exist in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review

A. Project management

Arrangements to monitor and report on the distribution of core relief items were unsatisfactory

16. UNHCR rules require the Representation to have adequate arrangements for the monitoring and supervision of distribution of core relief items and the provision of periodic reports on items distributed.

17. In 2012 and 2013, the Representation provided core relief items to the Government for distribution to the beneficiaries in Syrian refugee camps through a government partner. A review of the distribution of core relief items, with an aggregate value of \$21.4 million, highlighted the following shortcomings:

- The staff concerned with the distribution could not provide the details, such as the number of beneficiaries and the exact time and place of distribution, relating to the planned distribution of winter clothes on 27 November 2013. The reason for this was that the Representation did not develop any distribution plans and procedures for monitoring the distributions.
- The Representation did not put in place an appropriate reporting mechanism over on-site and post-distribution of core relief items. The Representation also did not request the partner or camp authorities to submit reports regarding their distribution of core relief items to beneficiaries. Whilst the field teams indicated the distribution results in the weekly situation reports, there was no specific supply unit report available on the subject.
- The Representation did not have specimen signatures of camp officials for use in verifying the authenticity of the receipts that suppliers attached to invoices as evidence of quantities delivered. Similarly, the Field Coordinator in Gaziantep prepared a summary of the distribution of the core relief items with the help of distribution lists sent by camp officials. However, in the absence of the specimen signatures of the camp officials involved in the distribution, the Representation did not have a mechanism to verify the authenticity of these distribution lists.
- The distribution teams did not systematically obtain the signatures or thumb impressions of the beneficiaries as confirmation that the beneficiaries had actually received the relief items.

18. The above shortcomings happened because, at the height of the emergency, the Representation did not have enough staff to prepare and collect the required documentation on the distributions while delivering lifesaving assistance to refugees. In addition, since the Government was responsible for the provision of accommodation and assistance to the Syrian refugees in the camps, and in the absence of a host country agreement with the Government, the relief items had to be procured directly by the government partner and handed over to them based on a transfer of ownership agreement. As a result of the inadequate monitoring and reporting controls, the Representation could not obtain assurance regarding the delivery of goods to the beneficiaries.

(1) The UNHCR Representation in Turkey should strengthen arrangements for the delivery and distribution of core relief items in the camps by: (a) preparing a plan for delivery of core relief items in consultation with relevant camp authorities; (b) preparing a list of authorized personnel in the camps and obtaining their specimen signatures for verification of deliveries; (c) arranging for signatures or thumb impressions of beneficiaries to be obtained as confirmation of the receipt of relief items; and (d) requiring the partner and UNHCR field teams to submit core relief items distribution reports, on-site distribution reports and post distribution reports.

The Representation accepted the recommendation but did not accept its critical rating. Efforts were being put in place to strengthen delivery through a set of coordinated initiatives. In response to part (a) of the recommendation, the Representation developed standard operating procedures on distribution of core relief items which would be implemented after obtaining approval from the Government. The Representation also initiated a process for selection of two new implementing partners to provide full-fledged assistance in distribution matters, by supporting UNHCR in following up on camp and non-camp based distributions, both under emergency and stable conditions, and working under the supervision of a UNHCR staff member. Regarding part (b) of the recommendation, the Representation stated that it had not obtained the specimen signatures of camp officials; however, the UNHCR Field Team had a constant monitoring presence in the camps with dedicated staff that - apart in the case of new emergencies - visited the camps almost on a daily basis. Regarding parts (c) and (d) of the recommendation, the Representation stated that the draft standard operating procedures included a reporting form to be filled first by the personnel of the receiving authority and then by the distributing entity and finally verified by the government authority. The Representation's monitoring teams already started gathering key distribution reporting data including signatures of the beneficiaries. Recommendation 1 remains open pending receipt of evidence of systematic implementation of controls put in place for monitoring and reporting on distribution of core relief items, including: (a) a plan for delivery of the items; (b) list and specimen signatures of authorized camp staff; (c) signatures/thumb impressions of the beneficiaries; and (d) on-site distribution reports and post-distribution reports.

Need to strengthen refugee status determination arrangements

19. UNHCR protection standards require the Representation to: (a) establish effective procedures for the reception and registration of asylum seekers; (b) ensure that staff receive basic training on preparing and adjudicating individual claims from asylum seekers; (c) ensure that refugee status determination (RSD) adjudicators finalize on average six cases per week; and (d) ensure that the facilities used by UNHCR for RSD procedures preserve the right of asylum seekers to confidentiality.

20. Existing RSD procedures at the Representation had the following control weaknesses:

- The Representation did not approve and implement its revised standard operating procedures on RSD.
- The Representation did not provide adequate training to staff performing RSD work.
- Due to a shortage of interview rooms, the Representation could use only 13 of its allocated staff strength of RSD adjudicators. The remaining eight staff members were either on leave, travelling or given time-off to clear their backlog of pending assessments. This reduced the capacity utilization of the available resources. The Representation rented new office premises in September 2013, but could not occupy the building because of a delay in the renovation works to ensure Minimum Operating Security Standards (MOSS) compliance.

21. As a result, case workers had 50-60 pending assessments equivalent to 17-20 weeks of work, which affected the quality and efficiency of the RSD work done. At the time of the audit, there were 1,055 cases pending assessment by 21 case workers. The waiting period from pre-registration to registration of asylum seekers had increased to three years with another two years to complete the RSD and appeal process.

(2) The UNHCR Representation in Turkey should: (a) approve and implement the revised standard operating procedures on refugee status determination; (b) provide extensive training to the staff involved in refugee status determination operations on the use of the standard operating procedures; and (c) expedite the move to the new location and renovate the vacated space at the existing office premises as planned to increase its existing capacity and space for reducing the time taken to complete the refugee status determination process.

The Representation accepted recommendation 2 and stated regarding part (a) that it had initiated the process for the revision of the standard operating procedures. Although the process was delayed due to staff rotation and operational priorities, it would be completed by 31 December 2014. Regarding part (b), training of staff was conducted on RSD procedures, registration and related subjects. This included induction, refresher and ongoing coaching and mentoring of new staff. In response to part (c), the Representation stated that it would move to new office premises after the completion of renovation work by early 2015. This would improve its capacity, and the time taken to complete the RSD process would be reduced. Recommendation 2(a) remains open pending receipt of a copy of the approved standard operating procedures on RSD. Recommendation 2(c) remains open pending receipt of evidence of the move to new office premises and documentation on improved operational efficiency regarding RSD operations following the move. Based on action taken by the Representation, recommendation 2(b) is considered implemented.

Action was taken to clear the backlog of protection referral forms

22. UNHCR RSD guidelines require that after completing the RSD procedures, the Head of the Resettlement Unit needs to approve and sign protection referral forms for the cases eligible for resettlement. At the Representation, the Resettlement Unit prepared a protection referral form for every completed refugee determination case for the approval of the Resettlement Officer. However, due to competing priorities, the Resettlement Officer approved only the current forms, although he did clear the vulnerable cases for urgent resettlement on a priority basis. This approach resulted in a backlog of 1,167 cases at the time of the audit, of which 42 cases were pending for more than three years, while 80 cases were two years old, because of the slow rate of approval of the protection referral forms.

(3) The UNHCR Representation in Turkey should ensure that the pending protection referral forms pertaining to resettlement are effectively reviewed and that outstanding cases are completed on a priority basis.

The Representation accepted recommendation 3 and stated that it had cleared all the pending cases after a thorough review of the cases. The cases were either deprioritized or referred to resettlement for processing based on an assessment of special needs. Based on action taken by the Representation, recommendation 3 has been closed.

Action was needed to strengthen arrangements for best interest determination

23. UNHCR rules on best interest determination and protection of unaccompanied and separated children require the Representation to regularly update protection data in the Profile Global Registration System (proGres) (the UNHCR database for registration of the populations of concern), prepare localised standard operating procedures, and allocate necessary resources to facilitate the process for best interest determinations.

24. To monitor children in need of protection and to identify their needs, the Representation's teams conducted visits to orphanages and provincial authorities. The Representation also conducted best interest determinations for children with specific protection needs. However, the Field Unit in Istanbul

did not update the number of completed best interest determination cases in proGres and did not furnish reports on the completed cases to the branch office in Ankara. An implementing partner hired a part time psychiatrist for best interest determination in Istanbul, which was insufficient for coping with the total number of children in need in this location. The Representation also had outdated standard operating procedures for best interest determination.

25. The main reasons for these weaknesses were the lack of resources for expediting the cases for best interest determination and lack of access to proGres in the Field Unit in Istanbul. As a result, the Field Unit in Istanbul completed only 64 of the 277 cases targeted in 2013 for best interest determination, thus causing a backlog of cases. In addition, the performance of the Field Unit in Istanbul regarding best interest determination was not adequately reflected in the Representation's year-end report on programme and protection activities in 2013.

(4) The UNHCR Representation in Turkey should strengthen the arrangements for best interest determination by: (a) ensuring that the best interest determination cases completed by the Field Unit in Istanbul are updated on a timely basis in proGres so as to reflect accurate data in its performance reports; and (b) taking appropriate measures to complete the pending backlog of best interest determination cases.

The Representation accepted recommendation 4 and stated that the Field Unit Istanbul was now regularly updating the data on best interest determination cases in proGres after having assigned the responsibility to one staff member. The Representation also took corrective measures to complete the pending backlog of best interest determination cases by deploying one psychologist in the Field Unit Istanbul and five psychologists in Ankara, as well as two additional psychologists as backup. Furthermore, it had updated the Standard Operating Procedures on the formal determination of the best interest of the child. Based on action taken by the Representation, recommendation 4(a) has been closed. Recommendation 4(b) remains open pending receipt of evidence of a reduction in the backlog of best interest determination cases.

Anti-fraud measures relating to refugee status determination and resettlement needed to be strengthened

26. UNHCR rules require the Representation to complete fraud risk assessments and baseline standards checklists and share the results with UNHCR headquarters. The Representation is further required to maintain refugee related data in proGres, which has the capacity to generate reports and keep a log of all changes made to refugee records. In addition, UNHCR rules recommend the use of biometric data in the refugee status determination and resettlement processes.

27. A review of existing arrangements showed that the Representation did not complete a fraud risk assessment or prepare the baseline standards checklists and send those to the UNHCR headquarters. The Representation did not use available biometric data, with the exception of photographs which did not provide adequate means of confirming identities to detect possible fraud cases. The Representation also did not use the system capabilities of proGres to generate reports on changes to photographs or other data in key fields.

28. The absence of the above controls increased the risk of fraudulent activities in the resettlement programme. At the time of the audit, there were 17 cases of suspected fraud that were either on hold or under investigation.

(5) The UNHCR Representation in Turkey should: (a) complete the fraud risk assessment and baseline standards checklist and share them with UNHCR headquarters; (b) use biometrics technology for verification of refugees; and (c) set up a mechanism to prepare exception

reports using proGres and submit them to the accountable officer for review.

The Representation accepted recommendation 5 and stated that it completed a fraud vulnerability assessment and trained its resettlement staff, and shared anti-fraud mechanisms with the headquarters in the Resettlement Monthly Statistical Report. The proposal for introducing biometric technology in registration of the population of concern was under consideration at the headquarters. The Representation also informed that it would initiate preparation of exception reports in proGres after appointment of an Operational Data Management Officer, who was expected to join by mid-2015. Recommendation 5 remains open pending receipt of evidence of the completion of the fraud vulnerability and risk assessment and the implementation of biometric identification technology, as well as copies of a sample of exception reports generated from proGres.

Need to strengthen controls over financial assistance to beneficiaries

29. UNHCR guidance on cash-based interventions requires the Representation to prepare standard operating procedures on criteria for selection of beneficiaries, cash disbursement limits, period of payment, review procedures over financial assistance, and segregation of duties of the concerned staff. The Representation is also required to put in place monitoring and reporting controls over the partners associated with the financial assistance programme.

30. The Representation provided financial assistance of \$2.3 million from January 2012 to October 2013 to extremely vulnerable refugees and asylum seekers. The management of the cash assistance programme had the following weaknesses:

- The standard operating procedures did not define a payment period, a termination period and a procedure to conduct reassessments after completion of termination. This resulted in payment of financial assistance for more than 24 months to 221 persons of concern out of 1,100 beneficiaries. The Representation paid regular assistance to some beneficiaries for more than 70 months. The Representation clarified that continuity of assistance depended upon the financial condition of the beneficiaries. However, financial assistance to the persons of specific needs who required support after a predetermined termination period could be continued after a reassessment of their condition. Inability to complete the reassessments after 24 months resulted in this situation, due to which regular assistance for 98 newly approved cases could not be given.
- The partners did not observe cash disbursement limits because they were not aware of the requirements established in the standard operation procedures. The audit reviewed a sample of ten cases and observed that a partner paid cash assistance of TL1700 (\$850) to some of the beneficiaries who were already in receipt of UNHCR regular financial assistance. The Representation stated that the duplication was not from UNHCR funds as the partners were receiving funds from other donors as well. However, the Representation was required to advise the partners to maintain separate accounts of UNHCR funds distinct from the accounts of other donors. The Representation was also required to set up a system of obtaining regular reports from the partners on the progress of financial assistance disbursements and update the information in proGres to identify any duplications and other errors.
- The Representation's Programme Unit was responsible for the entire process, i.e. identification of vulnerable cases; assessment of financial assistance; preparation and approval of payment documents; recording payment vouchers and journal entries in the Managing for Systems, Resources and People (MSRP) system, the UNHCR enterprise resource planning system; reconciliation; and clearance of open items for financial assistance. Therefore, as the

Representation had not segregated the duties related to cash assistance payments, UNHCR was exposed to risk of fraudulent payments and embezzlement of funds.

31. The above weaknesses were due to inadequate procedures for payment of financial assistance to beneficiaries and insufficient monitoring and financial verification of the partners.

(6) The UNHCR Representation in Turkey should review its standard operating procedures on cash assistance and incorporate clear instructions on: (a) the termination period of financial assistance; (b) continuation of financial support to the eligible cases; (c) segregation of duties for processing and payment of financial assistance; and (d) receipt of regular reports from the partners over disbursement from the UNHCR funds.

The Representation accepted recommendation 6 and stated that it would update the standard operating procedures for cash assistance to Syrian and non-Syrian refugees by January 2015. Recommendation 6 remains open pending receipt of the updated standard operating procedures for payment of cash assistance addressing all the issues raised in the recommendation.

Need to strengthen arrangements for financial monitoring of partners

32. UNHCR rules on implementation partnership arrangements require the Representation to establish monitoring and reporting controls over the partners to ensure adequate utilization of UNHCR funds in the activities carried out through the partners.

33. For the two implementing partners associated with the non-Syrian refugees assistance programme, the Representation provided two financial verification reports per partner in 2012 and 2013. However, the quality of the reports was inadequate. They documented the verification tests conducted, but did not give any conclusions or assessments for the information of management. There were also no recommendations for the improvement of controls. About the partner associated with the Syrian emergency response, the Representation stated that it performed one financial monitoring visit during 2013, yet could not provide any documentary evidence in support of the statement. However, the Representation approved the total expenditures incurred by the implementing partners and recorded these in the UNHCR expenditure records totalling \$1.3 million in 2012, and \$2.5 million until 31 August 2013. Consequently, the recorded partner expenditures could not be fully relied upon.

34. OIOS subsequently visited the two partners associated with the non-Syrian programme. Their combined expenditures in 2012 were \$1.3 million and their combined budget in 2013 was \$1.9 million. The following weaknesses in controls and unsupported expenditures were identified:

- One of the partners prepared its accounts on a single entry system using excel spreadsheets instead of using a standard accounting software. Contrary to the rules, the partner did not maintain a cash book and did not use a payment voucher approval system for incurring and recording expenditures. Furthermore, it did not perform bank reconciliations. There was no segregation of duties as only the Project Coordinator was authorized to sign financial and procurement related documents. There were risks of errors, misstatements and the possibility of unauthorized changes and fraud due to the lack of segregation of duties.
- The same partner charged the salary of the project coordinator to UNHCR, whereas the project coordinator was also responsible for managing two projects funded by other donors. The Project Director was also the sole signatory for all projects managed by the partner including the projects financed by other donors. This implied that the partner claimed more on staff costs than it was entitled to. The Representation stated that the Project Coordinator was performing UNHCR work

only. The Representation further stated that only those travel expenditures of the Project Coordinator related to travel to the areas where UNHCR projects were implemented were charged to UNHCR, but no documentary evidence was provided in support of this statement.

- The same partner charged a rental deposit of \$12,500 for new premises to the project because it did not have funds to cover it. There was no provision for this payment in the sub-agreement signed with the implementing partner; hence it represented unjustified use of the UNHCR funds. There was a need to track the rental deposit charged to the UNHCR project as a receivable.
- The Representation allocated seven per cent overhead support costs for the other partner (a national partner) and paid an amount of \$45,000 in the budgets of 2012 and 2013, although the UNHCR rules allow the allocation of overhead charges only in the budgets of international partners. The Representation explained to OIOS that the payment of seven per cent overhead costs was a well thought out decision because the partner was not ready to accept the sub-agreement without these charges and the partnership was necessary for support to the population of concern in Istanbul. The Representation also stated that recovery of the overhead charges would disrupt the future partnership. In their assessment, the decision would not be prudent as the Government might not allow the engagement of new partners as a replacement.

35. These weaknesses occurred because the Representation did not: (a) utilise the services of the Project Control Officer, who had been on board since July 2013, for financial monitoring of implementing partners; (b) arrange adequate training of staff conducting the financial verifications; and (c) put in place a system for management supervision to ensure the implementation of the required procedures. This prevented the Representation from ensuring that its verification teams were conducting systematic and in-depth verifications that adequately covered high risk and high value transactions.

(7) The UNHCR Representation in Turkey should: (a) provide training to its staff on the financial verification of implementing partners; and (b) recover the overpayment of a rental deposit paid to an implementing partner, and the overpayment of overhead costs to another implementing partner associated with the non-Syrian refugees assistance programme.

The Representation accepted recommendation 7 and stated that it had trained the Project Control Associate in financial verification procedures. The Representation also stated that it was tracking the recovery of the rental deposit from the partner and would also resolve the matter of overhead cost paid to the national partner. It further stated that it had recovered an amount of \$28,000 from other partners that were assessed as overpayments by the external auditors. Based on action taken by the Representation, recommendation 7(a) has been closed. Recommendation 7(b) remains open pending receipt of evidence of the recovery of amounts overpaid to the partners.

Need to strengthen monitoring of implementing partners' procurement activities

36. UNHCR Implementing Partner Procurement Guidelines state that if a partner is allocated procurement in excess of \$100,000 during a year, the Representation should obtain the prior approval from the Local Committee on Contracts before signing the sub-agreement. The Representation should authorise procurement of supplies to a partner only after considering the costs to the partner including processing costs, government taxes on the partner and economies of scale. The Implementing Partner Procurement Guidelines further require the Representation to ensure that the partners comply with UNHCR procurement rules.

37. Procurement activities undertaken by the partners reviewed during the audit included the following weaknesses:

- The Representation allowed a partner to procure material amounting to \$133,000 for renovation of the planned new premises for carrying out pre-registration activities, but did not obtain approval from the Local Committee on Contracts. This non-compliance with the rules resulted in a lost opportunity for review of procurement at the appropriate forum.
- Whilst the Representation was exempt from the taxes, the Government charged a partner 18 per cent value added tax on the procurement of material. Hence, the decision to assign the procurement activity to this partner rather than the Representation conducting the procurement itself was not cost effective.
- The same partner did not correctly estimate the total cost of renovation work at the new premises in 2012. Consequently, the Representation could not include the total amount in the 2012 budget, and exceptionally approved a part of the amount (approximately \$23,000) spent in 2012 to be charged to the 2013 budget.
- The same partner did not invite open tenders for procurement of information technology equipment amounting to \$56,096 as required under the implementing partner procurement guidelines, but collected and evaluated four quotations. The partner stated that tenders could not be called due to the pressure to start the pre-registration operations as the number of new arrivals was increasing. This non-compliance with the procurement rules could have resulted in an uneconomical procurement decision.

38. The above weaknesses happened because the Representation did not set up adequate monitoring mechanisms over procurement activities undertaken by the partners, resulting in non-compliance with UNHCR rules, inadequate booking of expenditure, and payment of value added tax that could have been avoided.

(8) The UNHCR Representation in Turkey should put in place a mechanism for monitoring procurement activities undertaken by implementing partners, in order to improve compliance with the provisions of the Implementing Partners Procurement Guidelines.

The Representation accepted recommendation 8, and stated that the monitoring of the procurement activities had been initiated through training in procurement rules to the concerned staff of the Representation and the partners. Recommendation 8 remains open pending receipt of mentoring reports over the procurement activities undertaken by partners confirming compliance by the partners with UNHCR Implementing Partners Procurement Guidelines.

B. Regulatory framework

Need to strengthen procurement procedures related to programme support

39. UNHCR rules require the Representation to follow appropriate procurement procedures, including ensuring open competition, evaluation of bids, approval from the relevant committee on contracts, and signing of adequate contracts with the service providers.

40. The Representation provided programme support, such as arranging travel and accommodation facilities, to non-Syrian refugees to facilitate their visits to Ankara to attend interviews related to resettlement, RSD and counselling sessions. The total accommodation assistance in 2012 and 2013 was valued at \$40,731, while local travel assistance amounted to \$286,838 during the same period. The

Representation also provided medical assistance valued at \$454,123 in 2012 and 2013. Existing arrangements were deficient in the following respects:

- The Representation executed contracts with a transport company and a hotel for providing travel and lodging facilities. However, the Representation executed these contracts without following the procurement procedures required to ensure open competition, proper evaluation of bids and approval by the relevant committee on contracts.
- The Representation reimbursed clinics and pharmacies that provided medical assistance to the population of concern in Ankara and the satellite cities. However, the Representation did not select these clinics and pharmacies after fulfilling the basic procurement requirements that require open competition, proper evaluation of bids and approval by the appropriate committee on contracts. There were also no formal contracts with the selected health service providers.

41. The above deficiencies happened because the Representation did not train its programme staff on the UNHCR procurement rules and procedures. Non-compliance with the rules and procedures led to an increased risk of not ensuring best value for money in procurement related to programme support.

(9) The UNHCR Representation in Turkey should ensure competitive procurement by: (a) arranging appropriate procurement training to staff; (b) ensuring submission of cases to the relevant committee on contracts; and (c) ensuring that signed contracts are in place with service providers.

The Representation accepted recommendation 9 and stated that the training for supply staff would be arranged in early 2015. It also provided a copy of the approval accorded by the Regional Committee on Contracts for hiring a clinic for providing medical facilities to the population of concern. Recommendation 9 remains open pending receipt of evidence of the training provided to the supply staff and copies of approval from the relevant committee on contracts for the arrangement of travel and lodging facilities to the non-Syrian refugees and copies of signed contracts with the vendors.

IV. ACKNOWLEDGEMENT

42. OIOS wishes to express its appreciation to the Management and staff of the UNHCR Representation in Turkey for the assistance and cooperation extended to the auditors during this assignment.

(Signed) David Kanja
Assistant Secretary-General for Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

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

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	The UNHCR Representation in Turkey should strengthen arrangements for the delivery and distribution of core relief items in the camps by: (a) preparing a plan for delivery of core relief items in consultation with relevant camp authorities; (b) preparing a list of authorized personnel in the camps and obtaining their specimen signatures for verification of deliveries; (c) arranging for signatures or thumb impressions of beneficiaries to be obtained as confirmation of the receipt of relief items; and (d) requiring the partner and UNHCR field teams to submit core relief items distribution reports, on-site distribution reports and post distribution reports.	Critical	O	Submission to OIOS of evidence of systematic implementation of controls put in place for monitoring and reporting on distribution of core relief items, including: (a) a plan for delivery of the items; (b) list and specimen signatures of authorized camp staff; (c) signatures/thumb impressions of the beneficiaries; and (d) on-site distribution reports and post-distribution reports.	31 March 2015
2	The UNHCR Representation in Turkey should: (a) approve and implement the revised standard operating procedures on refugee status determination; (b) provide extensive training to the staff involved in refugee status determination operations on the use of the standard operating procedures; and (c) expedite the move to the new location and renovate the vacated space at the existing office premises as planned to increase its existing capacity and space for reducing the time taken to complete the refugee status determination process.	Important	O	Submission to OIOS of evidence of the move to new office premises and documentation on improved operational efficiency regarding RSD operations following the move.	31 March 2015

² Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

³ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁴ C = closed, O = open

⁵ Date provided by [client] in response to recommendations. [Insert "Implemented" where recommendation is closed; (implementation date) given by the client.]

STATUS OF AUDIT RECOMMENDATIONS

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

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
3	The UNHCR Representation in Turkey should ensure that the pending protection referral forms pertaining to resettlement are effectively reviewed and that outstanding cases are completed on a priority basis.	Important	C	Action completed.	Implemented
4	The UNHCR Representation in Turkey should strengthen the arrangements for best interest determination by: (a) ensuring that the best interest determination cases completed by the Field Unit in Istanbul are updated on a timely basis in proGres so as to reflect accurate data in its performance reports; and (b) taking appropriate measures to complete the pending backlog of best interest determination cases.	Important	O	Submission to OIOS of evidence of a reduction in the backlog of best interest determination cases.	31 December 2015
5	The UNHCR Representation in Turkey should: (a) complete the fraud risk assessment and baseline standards checklist and share them with UNHCR headquarters; (b) use biometrics technology for verification of refugees; and (c) set up a mechanism to prepare exception reports using proGres and submit them to the accountable officer for review.	Important	O	Submission to OIOS of evidence of the completion of the fraud vulnerability and risk assessment and the implementation of biometric identification technology, as well as copies of a sample of exception reports generated from progress.	30 June 2015
6	The UNHCR Representation in Turkey should review its standard operating procedures on cash assistance and incorporate clear instructions on: (a) the termination period of financial assistance; (b) continuation of financial support to the eligible cases; (c) segregation of duties for processing and payment of financial assistance; and (d) receipt of regular reports from the partners over disbursement from the UNHCR funds.	Important	O	Submission to OIOS of the updated standard operating procedures for payment of cash assistance addressing all the issues raised in the recommendation.	31 March 2015
7	The UNHCR Representation in Turkey should: (a) provide training to its staff on the financial verification of implementing partners; and (b) recover the overpayment of a rental deposit paid to	Important	O	Submission to OIOS of evidence of the recovery of amounts overpaid to the partners.	31 December 2015

STATUS OF AUDIT RECOMMENDATIONS

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

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	an implementing partner, and the overpayment of overhead costs to another implementing partner associated with the non-Syrian refugees assistance programme.				
8	The UNHCR Representation in Turkey should put in place a mechanism for monitoring procurement activities undertaken by implementing partners, in order to improve compliance with the provisions of the Implementing Partners Procurement Guidelines.	Important	O	Submission to OIOS of mentoring reports over the procurement activities undertaken by partners confirming compliance by the partners with UNHCR Implementing Partners Procurement Guidelines.	31 March 2015
9	The UNHCR Representation in Turkey should ensure competitive procurement by: (a) arranging appropriate procurement training to staff; (b) ensuring submission of cases to the relevant committee on contracts; and (c) ensuring that signed contracts are in place with service providers.	Important	O	Submission to OIOS of evidence of the training provided to the supply staff and copies of approval from the relevant committee on contracts for the arrangement of travel and lodging facilities to the non-Syrian refugees and copies of signed contracts with the vendors.	31 March 2015

APPENDIX I

Management Response

Management Response

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

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	<p>The UNHCR Representation in Turkey should strengthen arrangements for the delivery and distribution of core relief items in the camps by:</p> <p>(a) preparing a plan for delivery of core relief items in consultation with the camp authorities;</p> <p>(b) preparing a list of authorized personnel in the camps and their specimen signatures for verification of delivery;</p> <p>(c) obtaining signatures or thumb impressions of the beneficiaries; and</p> <p>(d) requiring the implementing partner and UNHCR field teams to submit core relief items distribution</p>	Critical	Not as a Critical Recommendation	<p>Senior Programme Officer</p> <p>Assistance Programme Officer</p> <p>Head of Field Office, Gaziantep</p>	Ongoing	<p>Audit recommendation: 1.a - preparing a plan for delivery of core relief items in consultation with the camp authorities</p> <p>Efforts have been put in place to strengthen delivery through a set of coordinated initiatives.</p> <p>In this context, it is however of essence to have the arrangements for the delivery and distribution on core relief items <i>put in the specific context of the assistance that falls within the immediate emergency response</i>, which differs from the stable support provided to camp based refugees, as well as of the <i>specific traits of the Turkish Operation</i>.</p> <p>Unlike most refugee crises responses where often UNHCR has a key role in organizing and managing the protection and assistance at camp level, <i>in Turkey, the entire Syrian Emergency Response is owned and managed by a government authority. Government authority is the sole authority responsible for the provision of accommodation and assistance to Syrian refugees in the existing 22 camps. Two additional camps are currently under construction. The role of the</i></p>

⁶ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

⁷ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

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

Rec. no.	Recommendation	Critical6/ Important7	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	reports, on-site distribution reports and post distribution reports.					<p><i>civil society and national and international NGOs (while improving) remains limited and continuously subject to the green light of government authority at central and local level.</i></p> <p><i>In view of the lack of an Accord de Siege, UNHCR has been compelled to import NFIs internationally procured through a partner based on a Transfer of Ownership Agreement (TOO) of the entire stock of internally procured NFIs. In the context of the 19 September 2014 emergency, UNHCR has piloted a direct arrangement with government authority. This initiative has been devised in the attempt to identify alternative options, which have also included the contracting of a Bonded Warehouse for the Cross-Border operation for Syria, effective 1st October 2014; the prioritization of local over international procurement and the establishment of new sub agreements with new partners for NFIs distribution.</i></p> <p><u><i>Camp based situation (stable conditions)</i></u></p> <p>Based on the Audit's recommendation, a draft SOP has been elaborated and submitted to government authority for approval in September 2014. UNHCR is awaiting official feed-back.</p> <p><u><i>Emergency context of new influx of refugees</i></u></p>

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Rec. no.	Recommendation	Critical6/ Important7	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p><i>At the very onset of an emergency, in fact, the fulfilment of collecting full-fledged documentation while delivering lifesaving assistance to new comers cannot be fully entertained as specified in the recommendation which reflects a more stable scenario.</i></p> <p>From the 19 September up to date more than 170,000 refugees have crossed into Turkey from neighbouring Kobane in Syria. Ever since, government authority has been coordinating the emergency response in the area while UNHCR has provided immediate support in terms of NFIs to Government of Turkey after few hours of the first crossings.</p> <p>The Coordination between UNHCR with the government is going well at Ankara and field level, with <i>government authority requesting UNHCR at Ankara level</i> for specific material assistance when the needs arise.</p> <p><i>A crisis emergency unit has been established by Turkish authorities in Suruc to oversee the response management while government authority is planning on daily basis its NFIs distribution plan also due to the very fluid situation at field level. No medium/long term distribution plan by Government of Turkey is being finalized due to the rapid evolving ground situation. This</i></p>

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						<p>information has been shared by the Emergency Shell to UNHCR in a meeting specifically dedicated to distribution matters. UNHCR is therefore making every effort to duly following up on daily plans.</p> <p>In spite of the emergency context, UNHCR Representation has tested the new Distribution Report Format devised based on the Audit's recommendation and part of the SOP proposed to government authority. <i>UNHCR Field Team has invested considerable efforts in documenting distribution on NFIs, following the immediate life-saving assistance phase (mainly to the Population of concern in transit centres).</i> In parallel, with a view to strengthen UNHCR distribution as well as real time and post distribution monitoring, on 25 September 2014 in the context of the response to the refugee influx in Suruc, the Representation <i>launched a Call of Expression of interest to identify at least 2 new IPs to deal with NFIs distribution matters.</i> Seven potential partners have expressed their interest out of which 2 IPs have been selected (one national and one international) and a third one is kept on stand-by should the need for further support be confirmed.</p> <p>The selected IPs will then be trained by UNHCR Field Office on vulnerability assessment/identification of most vulnerable</p>

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Rec. no.	Recommendation	Critical6/ Important7	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>individuals. The partners will then be able to provide a full-fledged assistance in distribution matters, by supporting UNHCR in following up on camp and non-camp based distributions, either under emergency and stable conditions, working under the supervision and in strict coordination with one UNHCR staff member of UNHCR SE Operation.</p> <p>Audit recommendation : 1. b - preparing a list of authorized personnel in the camps and their specimen signatures for verification of delivery</p> <p>To date, UNHCR has not obtained the specimen signatures of camp officials. Government authority staff dealing with camp management rotates frequently and in distribution matters is given to an implementing partner on behalf of the Government. It is for this reason that the draft distribution report form foresees 2 steps of certification and a final one of verification from government authority as final responsible authority. However, UNHCR Field Team has a constant monitoring presence in the camps with dedicated staff members that –apart in the cases of new emergencies- visit the camps almost on a daily basis.</p> <p>Audit recommendation – 1.c - obtaining signatures or thumb impressions of the beneficiaries;</p>

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						<p>and 1.d - requiring the implementing partner and UNHCR field teams to submit core relief items distribution reports, on-site distribution reports and post distribution reports</p> <p>UNHCR has developed an <i>SOP</i> to properly monitor the distribution mechanisms which includes a reporting form filled by the personnel of the receiving authority, then by the distributing entity and finally verified by Government authority.</p> <p>The new format (not yet endorsed by government authority) will form the basis of the new IPs' reporting (with UNHCR logo). <i>The report has been piloted under direct implementation by UNHCR Field Team staff which have started gathering ex post distribution report with key data about the beneficiaries, the CRIs received as well as the signatures of beneficiaries.</i> While the direct implementation is not sustainable if not affecting the entire field work of UNHCR, the two new partners will be tasked to assist UNHCR in distribution and post-distribution matters both in the emergency and post-emergency phase as well as both in support to government authority and to reach out beneficiaries outside camps and transit centres.</p>

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Rec. no.	Recommendation	Critical6/ Important7	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
2	<p>The UNHCR Representation in Turkey should:</p> <p>a) approve and implement the revised standard operating procedures on refugee status determination;</p> <p>b) provide extensive training to the staff involved in refugee status determination operations on the use of the standard operating procedures; and</p> <p>c) expedite the move to the new location and renovate the vacated space at the existing office premises as planned to increase its existing capacity and space for reducing the time taken to complete the refugee status determination</p>	Important	Yes	<p>Senior RSD Officer</p> <p>Admin/Finance Officer (2.c)</p>	<p>31 December 2014</p> <p>Implemented</p> <p>By early 2015</p>	<p>Audit recommendation : 2 a - approve and implement the revised standard operating procedures on refugee status determination</p> <p>An Associate RSD Officer has been designated as the focal point for the revision of the RSD SOPs. The process is underway, facing delays due to staff rotation and operation priorities. Completion anticipated by year end.</p> <p>Audit recommendation 2.b - provide extensive training to the staff involved in refugee status determination operations on the use of the standard operating procedures</p> <p>This recommendation is considered already implemented with the following justification:</p> <p>UNHCR Turkey has had a continuing training program for RSD and registration staff, including induction, refresher and ongoing coaching and mentoring of new staff.</p> <p>In 2012, an individual mentoring program was implemented to improve the capacity of the RSD staff in adjudicating a diverse caseload with complicated credibility issues. Three trainings on substantive issues (human rights law, membership to particular social</p>

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	process.					<p>group, and religious conversion) and a series of trainings on procedural issues (interviewing and credibility) were implemented.</p> <p>In 2013, the RSD Unit conducted one refresher on RSD procedures, including the implementation of the SOPs, one-month individual mentoring program for newly recruited staff, two trainings on substantive and procedural aspects of simplified RSD with the registration and RSD teams, and two trainings on the Iranian caseload with the RSD team.</p> <p>Given the expansion of staff performing registration and status determination, and according to the annual training calendar, the RSD Unit planned the delivery of close to 20 trainings / briefing sessions tailored according to the identified needs of the staff by the end of 2014.</p> <p>In 2014 the RSD Unit invested considerable efforts in the <i>Assessment and Review of existing backlog</i>. Overall, the assessment backlog was reduced by 50%; and review backlog was reduced by 60%.</p> <p><u>Registration training</u></p> <p>The RSD Unit has carried out a number of</p>

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						<p>training for the registration staff to develop their skills and capacity to carry out simplified RSD.</p> <p>Further specific training on standard registration and proGres usage is planned before the end of the year.</p> <p>Due to significant increases in arrivals of asylum seekers the <i>Registration capacity was stretched to its limits</i>. As a response, the RSD Unit requested the urgent support of an experienced P3 Registration Officer expected to be deployed in October/November 2014.</p> <p>Audit recommendation 2.c - expedite the move to the new location and renovate the vacated space at the existing office premises as planned to increase its existing capacity and space for reducing the time taken to complete the refugee status determination process</p> <p><i>UNHCR Branch Office new premises were opened on 23 July 2014. Although there are minor items that remain to be completed, all staff designated to work in the new building has moved in.</i></p> <p>In line with the requirements of improved processing capacity, <i>UNHCR case management premises are undergoing</i></p>

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						<p><i>through a renovation and remodelling of the old premises which is expected to be concluded by early 2015. Currently, the contract with the architect/consultant for the project preparation and management during the construction related works is closed to the signature stage. The Representation in Turkey has already laid out the plans for improved capacity in this building. Once the project documents are complete, the Representation will go through normal tendering procedures to identify the contractor for the works to be done.</i></p> <p>Upon completion of the renovation work by early 2015, UNHCR Turkey will improve its processing capacity and will be able to accommodate all new positions created in 2014. In parallel, the recruitment procedures are on-going and are likely to be complete by the time the renovation will be finalized.</p> <p>The Administration Unit is following this matter as a matter of top priority, under the direct supervision of the Representative.</p>
3	The UNHCR Representation in Turkey should ensure that the pending protection referral forms pertaining to resettlement are effectively reviewed and that outstanding cases are completed on a priority basis.	Important	Yes	Senior Protection Officer		A comprehensive and thorough review of pending protection referral forms has been undertaken since the start of 2014 by a team of 5 Associate RSD Officers / Assistant Protection Officers. As a result, cases were either deprioritized or referred to resettlement for processing based on an assessment of special needs.

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						<p><i>There is no backlog of protection referral forms pending review within the Iraqi caseload (the protection screening based on the referral forms takes place within the same week of RSD decision).</i></p> <p><i>To prevent further backlogs, resources have been re-allocated with a view of ensuring that all protection referral forms (PRF) are reviewed and approved within a 6 month allocated timeframe. This has been done by ensuring that two additional Officers are involved in the countersigning of PRF referrals.</i></p>
4	<p>The UNHCR Representation in Turkey should strengthen the arrangements for best interest determination by:</p> <p>(a) ensuring that the best interest determination cases completed by the Field Unit in Istanbul are updated on a timely basis in proGres so as to reflect accurate data in its performance reports;</p> <p>(b) taking appropriate measures to complete the pending backlog of best interest determination cases;</p> <p>And (c) updating and approving the best interest determination standard operating procedures.</p>	Important	Yes	Senior Protection Officer	<p>Completed (ongoing action now on)</p> <p>Completed (ongoing action now on)</p>	<p>Audit recommendation 4.a - ensuring that the best interest determination cases completed by the Field Unit in Istanbul are updated on a timely basis in proGres so as to reflect accurate data in its performance reports</p> <p>Data on BIDs conducted in Istanbul are now regularly updated in ProGres by UNHCR Istanbul. The Office in Ankara regularly updates BIDs conducted in Ankara or on satellite city missions. In case of technical problems with proGres in Istanbul, the update is performed in Ankara. One staff in Istanbul and two in Ankara are responsible for updating BID information into proGres.</p> <p>Audit recommendation 4.b - taking appropriate measures to complete the pending backlog of best interest determination cases</p>

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					<p>Completed (yearly action now on)</p>	<p>For the non-Syrian caseload, all unaccompanied and separated children and children with protection problems of all nationalities undergo Best Interest Determination (BID) interviews, which are now conducted in a systematic manner according to the age of the children either by child psychologists or adolescent psychologists in BO Ankara and FU Istanbul.</p> <p>Additionally, UNHCR also conducts BIDs for unaccompanied Syrian children who are in family reunification or resettlement procedures.</p> <p>Corrective measures to complete the pending backlog of BID cases were taken by increasing the number of psychologists conducting BIDs with two additional psychologists as backup. However, the recent massive increase between of new arrivals June and September has placed additional pressure on the system.</p> <p>Regular meetings with BID psychologists are also conducted to follow up on the actions affecting children of concern to UNHCR.</p> <p>On average, 61 BID interviews are conducted in Ankara and satellite cities every month and 16 in Istanbul. One psychologist conducts BIDs in Istanbul; 5</p>

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						<p>psychologists in Ankara including satellite city missions. Psychologists undertake BID missions to support children of concern in the institutions where they are hosted and avoid their traveling to Ankara.</p> <p>The average waiting period for a BID is 2 weeks in Istanbul and 95 days in Ankara. By the end of September 2014, there were 56 BIDs pending in Istanbul and 360 to be conducted in Ankara.</p> <p>Audit recommendation 4.c - updating and approving the best interest determination standard operating procedures.</p> <p>The Standard Operating Procedures (SOP) on the formal determination of the best interest of the child were updated in April 2014 and will be updated on a yearly basis.</p>
5	<p>The UNHCR Representation in Turkey should:</p> <p>(a) complete the fraud risk assessment and baseline standards checklist and share it with UNHCR Headquarters;</p> <p>(b) use biometrics technology for verification of refugees under the resettlement programme; and</p> <p>(c) set up a mechanism to prepare exception reports</p>	Important	Yes	<p>Senior RSD Officer</p> <p>Senior Protection Officer</p>	Completed	<p>Audit recommendation: 5.a - complete the fraud risk assessment and baseline standards checklist and share it with UNHCR Headquarters</p> <p>A fraud risk assessment was conducted by HQs in 2012. The Office reports on a monthly basis on anti-fraud mechanisms through the Resettlement Monthly Statistical Report. This document includes a section on fraud which consists of:</p>

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	using proGres and submit them to the accountable officer for review.				<p>Being follow up with HQs</p> <p>By mid-2015 (based on the assumption of appointment of a DMO)</p>	<p>i) A Table on new and on-going fraud investigations and number of cases closed;</p> <p>ii) Details on individual cases where fraud has been established, including types of frauds and corrective actions applied.</p> <p>In addition, resettlement staff has been trained on fraud investigation through the GLC in Budapest and additional anti-fraud training has been requested and will be given to selected focal points in 2014 and 2015.</p> <p>The RSD/ Registration section has also introduced a file tracking system in September 2014 in order to strengthen anti-fraud measures in the operation. The implementation of this new system is underway. In addition, the Representation plans to focus on the physical file management to ensure the security of files. Anti-fraud Posters are currently being revised.</p> <p>A complaint box is accessible to persons of concerns and complaint mechanisms are in place for the operation.</p> <p>In addition, in compliance with the Framework for Prevention of Fraud issued in July 2013 and subsequent memoranda of the</p>

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						<p>Controller in this respect. UNHCR Representation in Turkey will entertain a Fraud Risk Assessment that will be submitted within the deadline of 30 November 2014 to HQs.</p> <p>Audit recommendation 5.b - use biometrics technology for verification of refugees under the resettlement programme</p> <p>Since 2010, UNHCR Turkey has requested HQs to roll out biometric technology to the operation. This remained under discussion as HQs was assessing its pilot program on fingerprinting. More recently, with the move in the region to introduce iris scanning for operations dealing with the Syrian caseload, UNHCR Turkey has repeated its wish to install and use biometric technology for all the Population of concern registered with the Office.</p> <p>In March 2014, a Senior Regional ICT Officer from DIST Amman Service Centre was on mission to provide feedback on the iris biometrics implementation in MENA and the potential application of the system in the Turkey context for Syrian refugees in the RST procedure. In his report, he noted that introduction of the IRIS scan system in UNHCR Turkey would be advantageous particularly for resettlement processing. The Office has also been recently informed that</p>

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						<p>UNHCR HQs is developing a proGres v3-compatible biometrics tool expected to be ready in early 2015.</p> <p>UNHCR Turkey will follow up with HQs and the Regional Office to expedite the introduction of biometric technology for all the Population of concern registering with UNHCR and will consult with legal services at the HQ on the possibility to collect and store bio data, taking into account the local legislation.</p> <p>Audit recommendation 5.c - set up a mechanism to prepare exception reports using proGres and submit them to the accountable officer for review.</p> <p>While awaiting the appointment of an Operational Data Management Officer, the Senior RSD Officer is reviewing accountability measures with proGres, including a review of all proGres users (access rights & read rights).</p> <p>Data consistency reports are not generated at present due to pollution of proGres data and lack of capacity. The Operational Management Officer will work on it when appointed.</p>
6	The UNHCR Representation in Turkey should review the standard operating	Important	Yes		By January 2015	<p>Audit recommendation 6.a - the termination period of financial assistance The recommendation refers to two different</p>

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	<p>procedures on cash assistance and incorporate clear instructions on:</p> <p>(a) the termination period of financial assistance;</p> <p>(b) continuation of financial support to the eligible cases;</p> <p>(c) segregation of duties for processing and payment of financial assistance; and</p> <p>(d) receipt of regular reports from the partners over disbursement from the UNHCR funds.</p>				Completed	<p>scenarios, namely the cash based assistance for the traditional caseload (non- Syrian refugees) which is mainly done through direct implementation by UNHCR and the new cash based assistance programme for the Syrian refugees living outside camps, implemented through partners.</p> <p>The overall cash assistance programme, be it for non-Syrian refugees (mostly direct implementation) and for Syrian refugees (through IPs), has been under review since early 2014. The Representation aims at having a renewed SOP by January 2015 for both the traditional and Syrian refugee caseloads, aligning the cash based assistance for both populations of concerns. The review has been based on a multi-functional approach, involving Programme and Protection Units as well as the Field Office in Gaziantep with the partition of Protection and staff and the Community Services Officer (Syria specific) in particular.</p> <p><i>Cash based programme for the traditional caseload</i></p> <p>The current existing SOP for the traditional caseload is dated December 2012. However, an <i>Annex on Cancellation Conditions of Financial Assistance</i> has been introduced in January 2014, following the Audit's comments. The Annex foresees the following conditions:</p>

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					<p>By early 2015</p> <p>Completed</p> <p>Ongoing</p>	<ul style="list-style-type: none"> <li data-bbox="1478 399 1915 634"> <p>▪ “Long-time receiving FA For cases receiving FA for over 24 months, a social assessment form is requested from IPs if the ICs are residing in the project cities. According to the assessment and if the persons have no vulnerability, the FA is ceased.</p> <li data-bbox="1478 656 1915 951"> <p>▪ Informed by IPs IPs inform UNHCR that the applicant is not in need of the financial assistance based on information from the local authorities, IC’s living standards etc. For all such cases an e-mail is requested from IP justifying why UNHCR assistance should be ceased.</p> <li data-bbox="1478 989 1915 1195"> <p>▪ Have other regular resources (assistance from local mechanisms/NGOs/relatives etc.) If informed by the AP, IPs or the applicant that she/he is receiving home care assistance due to disability.</p> <li data-bbox="1478 1232 1915 1317"> <p>▪ If informed by the IPs that IC is receiving assistance from relatives abroad, CoO etc.</p> <li data-bbox="1478 1354 1915 1411"> <p>▪ The assistance is ceased if the IC is on regular assistance from the local</p>

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						<p>government or from NGOs.</p> <ul style="list-style-type: none"> ▪ Not collecting UNHCR assistance If the IC does not collect her/his assistance for two consecutive months, without a valid reason, the assistance is ceased. ▪ Departure/VolRep Upon confirmation from the RRU regarding IC's departure, volrep or whereabouts unknown status the FA is ceased". <p>Audit recommendation 6.b - continuation of financial support to the eligible cases; The frequency of the review of the eligible cases receiving assistance under UNHCR programme has indeed decreased following the beginning of the Syria crisis. Until 2011, Programme Unit was staffed with 7 staff, including 3 UNVs (one in Van) mainly dealing with financial assistance follow up.</p> <p>The long stay of beneficiaries on financial assistance also for more than 24 months is well noted and under review. In this context, the outsourcing to an implementing partner has been attempted twice with the aim of mainstreaming (or partially mainstreaming) it under the Social Welfare system or through the main partner which is expected to maintain a long term and institutional role in providing assistance to persons in need for international protection.</p>

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						<p>The Representation will be pursuing the implementation of this part of the recommendation with a flexible approach, encompassing both a medium and long term perspective, according to the unfolding situation with Turkish authorities and institutions.</p> <p>Audit recommendation 6.c - segregation of duties for processing and payment of financial assistance</p> <p>Presently, cases are referred to Programme primarily by UNHCR Protection Unit and by UNHCR Implementing Partners and secondarily by Local Authorities.</p> <p>The social assessment of the cases is based on a <i>standard UNHCR Turkey "Needs Assessment Form"</i> which was jointly elaborated by Protection and Programme Units in the past.</p> <p>Currently, in view of the increased caseload, the assessment is done partially by UNHCR staff and in part by partners.</p> <p>After the social assessment is done, the processing of payments follows UNHCR internal segregation of duties.</p> <p>Audit recommendation 6. d - receipt of regular reports from the partners over</p>

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						<p>disbursement from the UNHCR funds.</p> <p>1-It is the understanding of the Representation in Turkey that the last component of the Recommendation refers to the different caseload of Syrian refugees. In 2013, two partners were implementing the cash voucher project.</p> <p>2-At present, UNHCR is providing cash based assistance through two partners. The receipt of regular reports from each IPs is being followed up by Project Control and Programme Units.</p> <p>The internal review done by the Representation that will form the basis (along with the Audit) of a renewed SOP has also highlighted that different criteria have been adopted in the emergency phase of the response that requires an overall realignment.</p> <p>The Representation aims at adopting a new SOP (to be used internally and with IPs) and to include it and the resulting reporting requirements into the 2015 Sub Agreements as well.</p>
7	The UNHCR Representation in Turkey should: (a) conduct training to staff on financial verification of implementing partners; and	Important	Yes	Project Control Officer Project Control	Completed (and ongoing)	Audit recommendation 7.a - conduct training to staff on financial verification of implementing partners

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	(b) recover overpayments of rental advance from an implementing partner and seven per cent overhead costs from another implementing partner associated with the non-Syrian refugees assistance programme.			Associate	Completed (and ongoing) Ongoing	<p>The newly recruited Project Control Associate (previously fulfilling Programme related functions) is continuously trained on IPFR verification, reporting, in-depth analytical review and assessment of budgets vs. expenditures reported by the implementing partners, and monitoring of instalments vs. IPFR submissions of partners. The signed Project Partnership Agreement has been the centre of the training.</p> <p>A hands-on training and coaching also to all the 2014 project partners were carried out in July 2014 ensuring clearer understanding of the Project Partnership Agreement, and compliance of the UNHCR Financial / Programme Arrangements, and IP Procurement Procedures.</p> <p>Audit recommendation 7.b The Project Control team is following up on tracking the rental deposit of \$12,500 paid for the new premises. It is expected that proper financial disclosure of this rental deposit to the IPFR report is made.</p> <p>Meanwhile, on the 5% overhead cost reported as paid in the amount of \$45,000 during 2012-2013 projects, the Representation earlier stated the rationale behind such decision. This matter is thoroughly thought of, and expected to be</p>

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						<p>resolved early next year through the collaboration between Project Control and Programme.</p> <p>The weaknesses observed during the prior years have been looked into seriously, thus, the Representation strengthened the Programme and Project Control sections by the additional staff (including on TAs) recruited to support these two sections, as compared to the previous years.</p> <p>The Representation ensured that both Programme and Project Control are supporting each other in reviewing the budget proposals and project descriptions; ensured that IPFR verifications, monitoring, and tracking of instalments versus financial reports are carried-out for each project agreement.</p> <p>Based on the 2013 projects audit reports, the Representation was able to recover refunds of ineligible expenses as recommended by the external auditor.</p>
8	The UNHCR Representation in Turkey should put in place a monitoring mechanism over procurement activities undertaken by implementing partners, in order to improve compliance with the provisions of the	Important	Yes	Project Control Officer Senior Supply Officer	Completed (and ongoing) By end 2014	<p>During the Project Control' IPFR verification exercise, the <i>procurement activities of the implementing have been and continues to be monitored and reviewed</i> ensuring the compliance of the procurement procedures embodied in the IP Procurement Guidelines.</p> <p><i>All IPs were given the IP Procurement</i></p>

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	Implementing Partners Procurement Guidelines.					<p><i>Guidelines</i> to guide them on procedural requirements in procuring goods and services for the project.</p> <p><i>Additionally, UNHCR Supply Unit in Ankara BO will conduct a training on procurement procedures for implementing Partners by the end of 2014</i> in order improve compliance with the provisions of the implementing procurement guidelines.</p> <p><i>Specific support will be provided to a local IP in order to get pre-qualified in 2015.</i></p>
9	The UNHCR Representation in Turkey should ensure competitive procurement by: (a) arranging appropriate procurement training to staff; (b) ensuring submission of cases to the relevant committees on contracts; and (c) ensuring that signed contracts are in place with health service providers.	Important	Yes	Senior Supply Officer	<p>By early 2015</p> <p>Completed</p> <p>Completed</p>	<p>Audit recommendation 9. a - arranging appropriate procurement training to staff</p> <p>Procurement training for all supply staff was planned for October but due to the new emergency which started on 19 September, this training has been postponed to early 2015. On job coaching has also been provided and is still ongoing to new staff.</p> <p>However, there is procurement training for programme and admin staff planned for November.</p> <p>Audit recommendation 9.b - ensuring submission of cases to the relevant committees on contracts</p> <p>All procurement now goes through the relevant committees. The process starts with tender advertisement and ends with the committee approval. All documents relevant</p>

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						<p>to the procurement process are being provided, with the example of solar lanterns procured in 2014, thus showing all the steps and checks within the process.</p> <p>Audit recommendation 9.c - ensuring that signed contracts are in place with health service providers</p> <p>Evidence that signed contracts are in place with health service providers is given through the LCC submission document and LCC minutes and RCC submission document and RCC minutes. The RCC approved the award of a 2 year framework contract for a clinic health service provider for refugees and asylum seekers on 25 September 2014.</p>