



INTERNAL AUDIT DIVISION

REPORT 2015/111

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

Overall results relating to effective management of the operations in Algeria were initially assessed as partially satisfactory. Implementation of six important recommendations remains in progress

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

30 September 2015
Assignment No. AR2015/131/01

CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. OBJECTIVE AND SCOPE	1-2
III. AUDIT RESULTS	2-10
A. Strategic planning	3-5
B. Project management	6-7
C. Regulatory framework	8-10
IV. ACKNOWLEDGEMENT	10
ANNEX I Status of audit recommendations	
APPENDIX I Management response	

AUDIT REPORT

Audit of the operations in Algeria 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 Algeria 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 Algeria (hereinafter referred to as ‘the Representation’) was established in 1984. It assists two different caseloads of population of concern: refugees from Western Sahara (i.e., Western Sahrawi refugees) in five camps (Ausserd, Bojdour, Dakhla, Laayoune and Smara) near Tindouf; and urban refugees in Algiers. For 2015, the Representation identified the provision of basic needs and essential services and security from violence and exploitation as the areas of priority for its operations.
4. The Representation was headed by a Representative at the D-1 level. It had a branch office in Algiers, a sub-office in Tindouf, and a field unit in each of the five refugee camps. As at March 2015, the Representation had 60 regular staff. The Representation had a total expenditure of \$14.4 million in 2014. It worked with 13 partners in 2014.
5. Comments provided by UNHCR 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 Algeria**.
7. The audit was included in the OIOS 2015 risk-based internal audit work plan for UNHCR due to risks related to implementation of the country programme in Algeria in a challenging operational environment.
8. The key controls tested for the audit were: (a) strategic planning; (b) project management; and (c) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:
 - (a) **Strategic planning** - controls that provide reasonable assurance that the Representation’s strategic plans for its programme and protection activities are developed in alignment with the UNHCR global strategic priorities.
 - (b) **Project management** - controls that provide reasonable assurance that there is proper planning and implementation as well as accurate and complete monitoring and reporting of the Representation’s project activities.

(c) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide the UNHCR operations in Algeria; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.

9. The key controls were assessed for the control objectives shown in Table 1.

10. OIOS conducted this audit from February to June 2015. The audit covered the period from 1 January to 31 December 2014. The audit team visited, in addition to the Branch Office in Algiers, the Sub Office in Tindouf and all five refugee camps near Tindouf.

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 and analytical reviews, 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 **partially satisfactory**¹ in providing reasonable assurance regarding the **effective management of UNHCR operations in Algeria**. OIOS made eight recommendations to address the issues identified.

13. There was a need for the Representation to: (a) develop a plan for addressing priority needs in its self-reliance and livelihood activities; (b) strengthen monitoring of the water infrastructure and water management activities in camps; (c) ensure sufficient capacity is in place to implement the required protection procedures; (d) develop and implement a risk-based plan for performance and financial monitoring of partners; (e) strengthen monitoring and reporting arrangements related to distribution of non-food items; (f) ensure full compliance with established procurement rules and procedures; (g) strengthen controls over fleet and fuel management; [REDACTED]

14. The initial overall rating was based on the assessment of key controls presented in Table 1. The final overall rating is **partially satisfactory** as implementation of six important recommendations remains in progress.

¹ A rating of “**partially satisfactory**” means that important (but not critical or pervasive) deficiencies exist in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

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 Algeria	(a) Strategic planning	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(b) Project management	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(c) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A. Strategic planning

The Representation needed to develop a plan for addressing priority needs in its self-reliance and livelihood activities

15. The UNHCR policy on alternatives to camps emphasizes the importance of building refugee self-reliance and access to sustainable livelihoods, and calls for the field offices to work decisively towards achieving self-reliance of refugees. As a result, the Representation identified the development of self-reliance strategies in the camps in Algeria as one of the priority objectives in its Country Operations Plan for 2014.

16. A review of available documents and interviews with Representation staff indicated that the Representation did not plan any specific self-reliance or livelihood activities in 2014. Furthermore, a seminar co-organized in May 2014 by the Representation, involving partners and other United Nations agencies, resulted in six recommendations for strengthening refugee self-reliance and livelihood activities in Algeria. Out of these, three were to be completed by the end of June 2014, two by the end of October 2014, and the remaining one by early 2015. One of the recommendations dealt with the need to undertake a socio-economic study, which the Representation considered as a key undertaking that could pave the way for planning for its self-reliance and livelihood activities in the camps. Although implementing the recommendations did not solely depend on UNHCR, the Representation did not have information on the status of their implementation.

17. The main reason for the shortcomings in addressing self-reliance and livelihood priorities in accordance with the Country Operations Plan and the policy on alternatives to camps was that the Representation did not give adequate attention to these activities during its 2014 operational planning activities, which it attributed to lack of political support. Consequently, refugees in the camps continued to depend on humanitarian assistance with growing frustration among the educated youth, as evidenced by reports on sporadic incidents of agitation and strikes. This also exposed UNHCR to reputational risks.

(1) The UNHCR Representation in Algeria should, through renewed advocacy efforts with the local government, follow up on the need to undertake a socio-economic study in the camps to use the inputs from the study in developing a suitable plan for addressing priority needs in the self-reliance and livelihood sector.

UNHCR accepted recommendation 1 and stated that it had drafted the terms of reference for a market survey to identify livelihood activities, adapted to the particular conditions in the camps. The Representation began implementing a livelihood approach in June 2015 and also provided job opportunities to young refugees by working on projects, including construction of the Women Centre in the Smara camp and the rehabilitation of water premises in Dakla camp. In addition, the Representation would provide equipment to the vocational training centres to facilitate livelihood activities. Recommendation 1 remains open pending receipt of results of the market survey conducted and a copy of a strategy or plan developed for self-reliance and livelihood activities.

Monitoring of the water infrastructure and water management activities in camps required strengthening

18. The UNHCR guidance on water and sanitation services requires the Representation to ensure that water infrastructure facilities in the refugee camps are designed and run in a way to minimize wastage and to maximize use of the resources and facilities. The guidance also requires the Representation to ensure that the responsibility for managing the water infrastructure in the camps is transferred to Water and Sanitation Management Committees, and to send biannual water and sanitation monitoring reports to UNHCR headquarters.

19. The Representation had prepared and was implementing a multi-year (2012-2016) water strategy to ensure sustainable water supply in the camps. Despite the difficult desert conditions, the Representation provided 18 cubic litres of potable water to refugees, against the UNHCR standard of 20 cubic litres. The Representation's controls over monitoring compliance with the UNHCR guidance on water and sanitation services and progress in achieving the objectives of its water strategy, however, indicated that the Representation did not: (a) monitor 35 per cent of the total water distributed in the camps, as there was no system of recording the number of trips made by the water containers and the quantity they carried; (b) repair two of the nine bore wells in two camps accommodating over 60,000 refugees, although these wells had not produced any water for over one year; (c) implement 20 out of the 78 activities of the water strategy on various aspects of water management and monitoring of the water infrastructure; (d) conduct a mid-term evaluation of the multi-year water strategy in 2014 as required by the strategy; (e) establish Water and Sanitation Management Committees in any of the camps; and (f) send the required biannual water and sanitation monitoring reports to headquarters.

20. The above control weaknesses were due to inadequate supervision of the implementation of the multi-year water strategy. The cited deficiencies in monitoring the water infrastructure and water management activities could have an adverse impact on sustainable water supply in the camps.

(2) The UNHCR Representation in Algeria should develop and implement procedures to ensure adequate monitoring of the water infrastructure and water management activities in the camps, in order to achieve the objectives of its 2012-2016 water strategy.

UNHCR accepted 2 and stated that the Representation in collaboration with partners and the authorities had improved the management of the water system. As a result, the recurrent shortfall of water in Smara, which had occurred during the past summer seasons, was resolved in June 2015 by improving the technical management of the current premises. Recommendation 2 remains open pending receipt of a copy of a multi-year monitoring plan developed to achieve the objectives of the Representation's 2012-16 water strategy and evidence of improvements made in achieving the objectives of the water strategy.

There was a need to ensure that sufficient capacity is in place to implement required protection procedures

21. The UNHCR protection procedures require the Representation to: (a) conduct an age, gender and diversity mainstreaming exercise annually and use the inputs from the exercise in programme planning; (b) register refugees in a timely and accurate manner, while ensuring that effective fraud control mechanisms are in place for the registration process, and use the resulting vulnerability information in programme planning, including in determining assistance requirements; (c) conduct refugee status determination in a timely and accurate manner; and (d) develop or update appropriate standard operating procedures on all key protection activities.

22. A review of the Representation's protection procedures indicated that, in 2014, it had conducted an age, gender and diversity mainstreaming exercise in Tindouf. Through a multi-pronged approach, the Representation had brought down the accumulated backlog of 1,400 registered cases pending a refugee status determination interview as at January 2013 to 78 cases as at March 2015. However, the Representation did not: (a) conduct the age, gender and diversity mainstreaming exercise in Algiers in 2014; (b) use vulnerability data from its registration database in extending cash assistance to urban refugees in Algiers; (c) complete a fraud risk assessment of its registration activities; (d) prepare an action plan to complete the 78 registered cases that were pending a refugee status determination interview for over six months after their registration; (e) prepare standard operating procedures for handling resettlement cases; and (f) update the standard operating procedures prepared in 2012 for dealing with sexual and gender-based violence cases.

23. The main reason for the deficiencies in implementing the required protection procedures was the unforeseen and sudden departure of key staff and the resulting shortage of capacity in the Representation's Protection Unit. Consequently, the Representation was not approaching the protection needs of the refugees in a structured manner, but only on a case-by-case basis.

(3) The UNHCR Representation in Algeria should develop an action plan to ensure there is sufficient staffing capacity in the Protection Unit to: (a) conduct the age, gender and diversity mainstreaming exercise in all locations; (b) prepare and update all standard operating procedures related to protection and monitor their consistent implementation; (c) monitor the reliability and integrity of the vulnerability information and its appropriate use in programme planning; and (d) address the backlog of refugee status determination cases pending an interview.

UNHCR accepted recommendation 3 and stated that: (a) the Representation would conduct an age, gender and diversity mainstreaming exercise on 28 and 29 September 2015 focusing on the largest nationality groups and the most vulnerable groups; (b) the Sexual and Gender-Based Violence and Resettlement standard operating procedures would be finalized by 30 November 2015; (c) all specific needs and protection related information were being systematically entered in the proGres registration system and monitored; and (d) the Representation's Protection Unit started to schedule interviews for the 78 pending refugee status determination cases. The interviews would be completed by 30 November 2015. Recommendation 3 remains open pending receipt of: (a) confirmation that critical positions in the Protection Unit have been filled; (b) evidence of action taken to conduct the age, gender and diversity mainstreaming exercise in 2015; (c) a copy of the finalized standard operating procedures for Sexual and Gender-Based Violence and Resettlement; (d) evidence of supervisory reviews of vulnerability information entered into the registration database; and (e) confirmation of completion of the remaining refugee status determination interviews.

B. Project management

The Representation needed to develop and implement a risk-based plan for performance and financial monitoring of partners

24. The UNHCR Manual requires the Representation to undertake financial and performance monitoring of partners with focus on the achievement of the deliverables and milestones agreed in the partnership agreements and the accuracy of expenditures reported by the partners. In particular, the Manual requires the Representation to take a risk-based approach to: (a) monitor and report on the operational activities performed through partners; and (b) review the adequacy of the partners' financial systems and procedures; and (c) ensure the implementation by partners of the recommendations raised by external auditors in project audits.

25. The Representation spent \$8.8 million in 2014 through its partners, of which 94 per cent was incurred in Tindouf. It conducted at least one monitoring visit for each partner, as required. The Representation duly documented the results of the financial verifications using a comprehensive and structured reporting template. A review of a sample of 20 financial verification reports of six partners and nine performance monitoring reports, however, indicated the following control weaknesses in the Representation's financial and performance monitoring activities:

- The Representation did not have a risk-based plan for the monitoring activities at each partner, as required. The visits were usually scheduled after the receipt of the partners' financial reports.
- The monitoring teams did not systematically document that the partner had provided sufficient details on their operational activities in their performance monitoring reports. For example, the monitoring reports of the partners associated with distribution of non-food items and shelter kits valued at \$1.1 million did not contain any assessment of the extent that the project deliverables were achieved.
- The Representation budgeted \$2.1 million in the project agreements under refugee wages. Out of this, one local partner paid almost \$1.2 million (57 per cent of the total wages paid) to over 1,700 teachers in the camps. The Representation's monitoring teams did not sufficiently focus on the adequacy of the controls implemented by the partner to safeguard UNHCR resources in this regard. For example, OIOS review of the wages paid in cash in 2014 to teachers of a particular school, selected randomly, indicated that the signatures of the 34 teachers on the payroll sheet for one quarter did not match with the signatures on the payroll sheets for the other three quarters of the year in 51 per cent of the cases. Although a more detailed verification of these payments did not indicate any financial wrongdoing, as the differences in the signatures were attributed to inconsistent style of signing by the recipients, lack of proper monitoring of controls over payment of wages in cash increases financial risk.
- The Representation had not followed up on the partners' implementation of the recommendations raised by the external auditors in the 2014 project audits.

26. The above resulted due to inadequate management oversight by the Representation to ensure that: the verification of partner expenditures was conducted after a risk-based financial monitoring plan was developed and implemented; and performance monitoring activities were sufficiently robust and

comprehensively done. Consequently, the Representation was subject to increased risk of financial losses and failure to achieve intended project objectives.

(4) The UNHCR Representation in Algeria should develop and implement a risk-based plan for monitoring and reporting partners' operational activities and verifying the adequacy of the partners' financial systems and procedures.

UNHCR accepted recommendation 4 and stated that the Representation had developed and implemented a risk-based plan for monitoring and reporting on partners' activities. Based on the action taken and documentation provided by UNHCR, recommendation 4 has been closed.

Monitoring and reporting arrangements related to distribution of non-food items required strengthening

27. UNHCR rules on distributing commodities to persons of concern require the Representation to put in place adequate arrangements for monitoring and supervising the distribution of non-food items to refugees, including obtaining periodic reports on items distributed through partners. If the project partnership agreement with the partner allows sub-contracting the distribution to a third party, the partner should prepare a service level agreement with its sub-contractor defining, *inter alia*, the monitoring arrangements and post-distribution requirements, and provide a copy of the agreement to the Representation.

28. In 2014, the Representation provided non-food items for a total value of \$857,685 to beneficiaries in camps through a sub-partner of the Representation's partner. The sub-partner duly maintained the distribution records. A review of the Representation's monitoring procedures, however, indicated that the Representation did not ensure that: (a) the sub-partner shared the distribution records with the main partner; (b) the partner had entered into a service level agreement with its sub-partner, as required, specifying the terms of reference for receipt and distribution of non-food items; (c) the partner obtained evidence of receipt of the items by the beneficiaries in a systematic manner; (d) its field teams attended the distributions undertaken in the camps, as required; and (e) its programme staff maintained a record of the specimen signatures or thumb prints of the sub-partner's staff that received the consignments, in order to verify their authenticity.

29. The reason for the above control weaknesses was the lack of clear and documented procedures for monitoring and reporting the delivery of non-food items from their arrival at the port in Algeria to their distribution in the camps, including the allocation of appropriate staffing resources for such duties. In the absence of adequate monitoring and reporting controls, the Representation could not obtain adequate assurance regarding the delivery of the goods to the beneficiaries.

(5) The UNHCR Representation in Algeria should develop procedures for monitoring and reporting the delivery and distribution of non-food items to beneficiaries in the camps to ensure that: (a) a service level agreement is in place with the sub-contractor in charge of the distributions and the terms of the agreement are monitored; (b) monitoring reports that include signatures or thumb prints of the beneficiaries are received and reviewed; and (c) a schedule of visits to the camps to attend the distributions is prepared and complied with.

UNHCR accepted recommendation 5 and stated that: (a) a service level agreement with the sub-partner was put in place; (b) the monitoring reports were received and reviewed; and (c) a schedule had been developed for the distributions. Based on the action taken and documentation provided by UNHCR, recommendation 5 has been closed.

C. Regulatory framework

The Representation needed to ensure full compliance with established procurement rules and procedures

30. The Representation is required to comply with UNHCR procurement rules and procedures, which include: (a) preparing an annual procurement plan according to needs; (b) initiating procurement activities in accordance with the procurement plan to facilitate transparent and competitive procurement; (c) establishing an effective vendor management system; and (d) ensuring adequate oversight of procurement activities.

31. In 2014, the Representation procured goods and services totaling \$848,169 under direct implementation. It had established a Local Committee on Contracts (LCC). A review of 20 purchase orders and supporting vouchers for an aggregate amount of \$342,043 indicated that the Representation had followed a competitive procurement process in procuring goods and services in most cases. However, the following control deficiencies were observed in the procurement activities:

- The Representation did not prepare an annual procurement plan.
- The Representation did not establish a system for registering prospective vendors including: (a) establishing a Vendor Review Committee; and (b) maintaining an accurate vendor database. Hence, the Representation could not assess the performance and capability of vendors, and the existing vendor database contained 205 duplicate records out of 953 vendors.
- The Sub-Office in Tindouf submitted a memorandum to the LCC for approval of construction of a safe room for security purposes, but the Representation did not hold an LCC meeting to consider the case. As a result, the Sub-Office completed the works without the required approval. The Sub-Office also did not enter into a formal contract with the vendor for the construction and did not monitor and document the satisfactory performance of the works before paying the contractor.

32. The above shortcomings happened because of inadequate oversight mechanism over the vendor registration and the procurement process as well as shortage of staff in the Supply Unit. As a result, there was a risk that the Representation was not obtaining value for money from its procurement activities.

(6) The UNHCR Representation in Algeria should implement arrangements to ensure that: (a) the Supply Unit has sufficient capacity to discharge its duties; (b) the annual procurement plan is prepared; (c) a Vendor Review Committee is constituted to complete the review of the vendor database; and (d) the Local Committee on Contracts meets regularly to provide adequate oversight of procurement activities.

UNHCR accepted recommendation 6 and stated that: (a) to increase the capacity of the Supply Unit, designated supply staff had successfully undertaken the training to develop their capabilities and to cost-effectively undertake procurement of goods and services in accordance with UNHCR rules and procedures; (b) the Representation had started preparing the 2016 procurement plan for both the Algiers and Tindouf offices based on the 2016 budget; (ci) a Vendor Review Committee would be constituted by the end of September 2015; and (d) once the 2016 procurement plan was completed, the LCC calendar of meetings would be set according to the procurement activities. Recommendation 6 remains open pending receipt of: (a) a copy of the approved procurement plan for 2016, (b) evidence of completion of the review of the vendor database; and (c) evidence of

regular meetings of the LCC.

Controls over fleet and fuel management required strengthening

33. The UNHCR guidelines on fleet and fuel management require the Representation to: (a) have adequate supervision, monitoring and reporting arrangements over the registration, use and maintenance of the Representation's fleet, including those maintained by the partners, as well as monitoring of fuel consumption; and (b) install security equipment, including radios and global position tracking systems in the Representation's vehicles. Furthermore, the Representation should register all its vehicles with the local government under diplomatic category.

34. At the time of the audit, the Representation had 65 vehicles, which included 57 vehicles allocated to its partners. The vehicles had all been barcoded and physically verified. Under a partnership agreement, the Representation outsourced maintenance and regular servicing of the vehicles in the camps to a partner. In 2014, the total expenditure of the partner related to the fleet maintenance workshop was \$540,858.

35. A review of the Representation's fleet and fuel management activities and monitoring arrangements over the partner's workshop indicated that the Representation did not: (a) initiate action to register vehicles acquired before 2014 with the local government; (b) ensure that the partner had standard operating procedures for maintaining the workshop, as required by the partnership agreement; (c) install radios and global position tracking systems in its fleet; (d) establish procedures to monitor fuel balance at the time of refilling and to systematically calculate fuel efficiency of vehicles; (e) reconcile the quantity of fuel issued and used; and (f) reconcile fuel vouchers issued with the commercial transaction statements.

36. The above shortcomings were due to lack of a mechanism for regular monitoring of the Representation's vehicles and their usage, including fuel consumption and expenses. There was a risk that the Representation would not be able to adequately monitor its fleet and fuel consumption to get the best value for money.

(7) The UNHCR Representation in Algeria should develop procedures for monitoring the use of UNHCR vehicles by staff and partners, which should include: (a) registering all vehicles with the authorities; (b) ensuring that the partner in charge of maintenance and servicing of the fleet has standard operating procedures in place; (c) installing radios and global position tracking systems in all vehicles; (d) reconciling the total quantity of fuel used to total quantity of fuel purchased; and (e) monitoring the fuel efficiency of all vehicles.

*UNHCR accepted recommendation 7 and stated that mobile radios would be ordered and installed in all vehicles, while the vehicle tracking device was already fitted in all new vehicles. The Representation would also make the necessary arrangements to equip the remaining older vehicles with a tracking system. The process of reconciling the total quantity of fuel used to total quantity of fuel purchased was ongoing. Recommendation 7 remains open pending receipt of documented monitoring procedures which include, *inter alia*, requirements for ensuring that: (a) all vehicles are registered with the authorities; (b) standard operating procedures are developed by/for the partner for running the workshop; (c) radios and global position tracking systems are fitted in all vehicles; and (d) systematic controls are implemented for reconciling fuel issued and consumed and calculating fuel efficiency of all vehicles.*

[Redacted]

[Redacted]

[Redacted]

[Redacted]

IV. ACKNOWLEDGEMENT

39. 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.

(Signed) David Kanja
Assistant Secretary-General, Acting Head
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

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

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The UNHCR Representation in Algeria should, through renewed advocacy efforts with the local government, follow up on the need to undertake a socio-economic study in the camps to use the inputs from the study in developing a suitable plan for addressing priority needs in the self-reliance and livelihood sector.	Important	O	Submission to OIOS of results of the market survey conducted and a copy of a strategy or plan developed for self-reliance and livelihood activities.	31 January 2016
2	The UNHCR Representation in Algeria should develop and implement procedures to ensure adequate monitoring of the water infrastructure and water management activities in the camps, in order to achieve the objectives of its 2012-2016 water strategy	Important	O	Submission to OIOS of a copy of a multi-year monitoring plan developed to achieve the objectives of the Representation's 2012-16 water strategy and documentary evidence of improvement made in the progress of achieving the objectives of the water strategy.	31 December 2015
3	The UNHCR Representation in Algeria should develop an action plan to ensure there is sufficient staffing capacity in the Protection Unit to: (a) conduct the age, gender and diversity mainstreaming exercise in all locations; (b) prepare and update all standard operating procedures related to protection and monitor their consistent implementation; (c) monitor the reliability and integrity of the vulnerability information and its appropriate use in programme planning; and (d) address the backlog of refugee status determination cases pending an interview.	Important	O	Submission to OIOS of: (a) confirmation that critical positions in the Protection Unit have been filled; (b) evidence of action taken to conduct the age, gender and diversity mainstreaming exercise in 2015; (c) a copy of the standard operating procedures finalised for Sexual and Gender-Based Violence and Resettlement; (d) evidence of the supervisory reviews undertaken over the vulnerability information entered into the registration database; and (e) confirmation of completion of the remaining refugee status determination interviews.	30 November 2015

¹ Critical recommendations address critical and/or pervasive deficiencies 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.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

³ C = closed, O = open

⁴ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

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

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
4	The UNHCR Representation in Algeria should develop and implement a risk-based plan for monitoring and reporting partners' operational activities and verifying the adequacy of the partners' financial systems and procedures.	Important	C	Action completed.	Implemented
5	The UNHCR Representation in Algeria should develop procedures for monitoring and reporting the delivery and distribution of non-food items to beneficiaries in the camps to ensure that: (a) a service level agreement is in place with the sub-contractor in charge of the distributions and the terms of the agreement are monitored; (b) monitoring reports that include signatures or thumb prints of the beneficiaries are received and reviewed; and (c) a schedule of visits to the camps to attend the distributions is prepared and complied with.	Important	C	Action completed.	Implemented
6	The UNHCR Representation in Algeria should implement arrangements to ensure that: (a) the Supply Unit has sufficient capacity to discharge its duties; (b) the annual procurement plan is prepared; (c) a Vendor Review Committee is constituted to complete the review of the vendor database; and (d) the Local Committee on Contracts meets regularly to provide adequate oversight of procurement activities.	Important	O	Submission to OIOS of: (a) a copy of the approved procurement plan for 2016, (b) evidence of completion of the review of the vendor database; and (c) evidence of regular meetings of the Local Committee on Contracts	31 December 2015
7	The UNHCR Representation in Algeria should develop procedures for monitoring the use of UNHCR vehicles by staff and partners, which should include: (a) registering all vehicles with the authorities; (b) ensuring that the partner in charge of maintenance and servicing of the fleet has standard operating procedures in place; (c) installing radios and global position tracking	Important	O	Submission to OIOS of documented monitoring procedures which include, <i>inter alia</i> , requirements for ensuring that: (a) all vehicles are registered with the authorities; (b) standard operating procedures are developed by/for the partner for running the workshop; (c) radios and global position tracking systems are fitted in all vehicles; and (d) systematic controls are	31 December 2015

STATUS OF AUDIT RECOMMENDATIONS

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

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	systems in all vehicles; (d) reconciling the total quantity of fuel used to total quantity of fuel purchased; and (e) monitoring the fuel efficiency of all vehicles.			implemented for reconciling fuel issued and consumed and calculating fuel efficiency of all vehicles.	

APPENDIX I

Management Response

Management Response

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

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Algeria should, through renewed advocacy efforts with the local government, follow up on the need to undertake a socio-economic study in the camps to use the inputs from the study in developing a suitable plan for addressing priority needs in the self-reliance and livelihood sector.	Important	Yes	Programme Officer	January 2016	<p>Terms of reference for market assessments for livelihood activities adapted to the particular conditions in the camps have been drafted.</p> <p>The Representation began implementing a livelihood approach in June 2015. Some regular activities have now become Quick Impact Projects such as the building of the Women Centre in the Smara camp and the rehabilitation of water premises in Dakla camp. The objective is to provide job opportunities for young Saharawi.</p> <p>The Representation will also provide equipment to the vocational training centers in order to facilitate livelihood activities.</p>
2	The UNHCR Representation in Algeria should develop and implement procedures to ensure adequate monitoring of the water infrastructure and water management activities in the camps, in order to achieve the objectives of its 2012-	Important	Yes	Programme Officer	Ongoing	<p>The Representation in collaboration with partners and the authorities have improved the management of the water system based on its production. Regular joint visits to the camps are undertaken.</p> <p>Through the above described process, the recurrent shortfall of water in Smara which had occurred during the past summer</p>

¹ 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.

² 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.

Management Response

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

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	2016 water strategy					seasons was resolved in June 2015, through improving the technical management of the current premises.
3	The UNHCR Representation in Algeria should develop an action plan to ensure there is sufficient capacity in the Protection Unit to: (i) conduct the Age, Gender and Diversity mainstreaming exercise in all locations; (ii) prepare and update all standard operating procedures related to protection and monitor their consistent implementation; (iii) monitor the reliability and integrity of the vulnerability information and its appropriate use in programme planning; and (iv) address the backlog in the remaining refugee status determination cases pending an interview.	Important	Yes	Protection Officer	(i) 28 and 29 September (ii) 30 November 2015 (iii) Implemented (iv) 30 November 2015	(i) The Representation will conduct an Age, Gender and Diversity Mainstreaming exercise 28 and 29 September focusing on the largest nationality groups and the most vulnerable groups. (ii) The Sexual and Gender Based Violence (SGBV) and Resettlement (RST) standard operating procedures will be finalized by 30 November 2015. (iii) All specific needs and protection related information is now systematically entered in proGres. The Representation ensures continuous monitoring of information. (iv) The Protection unit started to schedule interviews for the 78 Refugee Status Determination (RSD) cases pending. The interviews are to be completed 30 November 2015.
4	The UNHCR Representation in Algeria should develop and implement a risk-based plan for monitoring and reporting on the partners'	Important	Yes	Project Control Officer	Implemented	The Representation has developed and implemented a risk-based plan for monitoring and reporting on partners' activities.

Management Response

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

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	operational activities and verifying the adequacy of the partners' financial systems and procedures.					
5	The UNHCR Representation in Algeria should develop procedures for monitoring and reporting on the delivery and distribution of non-food items to beneficiaries in the camps to ensure that: (i) a service level agreement is in place with the sub-contractor in charge of the distributions and the terms of the agreement are monitored; (ii) monitoring reports that include signatures or thumb impressions of the beneficiaries are received and reviewed; and (iii) a schedule of visits to the camps to attend the distributions is prepared and complied with.	Important	Yes	Field Officer	(i) Implemented (ii) September 2015 onward (iii) September 2015 onward	(i) A service agreement is in place. (ii) Monitoring reports are received and reviewed. (iii) A schedule has been developed in respect of the distribution undertaken by the partner. The schedule is due to be improved during the coming months.
6	The UNHCR Representation in Algeria should implement arrangements to ensure that: (i) the Supply Unit has sufficient capacity to discharge its duties; (ii) the annual procurement plan is	Important	Yes	Admin/Finance Officer, Programme Officer	(i) 24-29/05/2015	(i) The designated supply staff has successfully undertaken the required training aiming to develop capabilities and to cost-effectively undertake procurement of goods, services and work in accordance with the relevant financial rules and regulations and

Management Response

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

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	prepared; (iii) a Vendor Review Committee is constituted to complete the review of the vendor database; and (iv) the Local Committee on Contracts meets regularly to provide adequate oversight over procurement activities.				(ii) Preparation phase will start last quarter of 2015 for the year 2016 (iii) September 2015 (iv) Ongoing	commonly recognized public and UN system procurement practices and principles. (ii) The Representation has already started the preparation of the 2016 procurement plan for both the Algiers and Tindouf offices, based on the 2016 budget. (iii) The Vendor Review Committee will be constituted by the end of September 2015. (iv) Once the 2016 procurement plan is completed the Local Committee on Contracts (LCC) calendar of meetings will be set according the procurement activities.
7	The UNHCR Representation in Algeria should develop procedures for monitoring the use of UNHCR vehicles by staff and partners, which should include: registering all vehicles with the authorities; ensuring that the partner in charge of maintenance and servicing of the fleet has standard operating procedures in place; installing radios and global position tracking	Important	Yes	Admin/Finance Officer, Programme Officer	September 2015 onward	Registering of vehicles: All vehicles imported since January 2014 onwards have official registration plates. Standard Operating Procedures for servicing and maintenance: Standard Operating Procedures for the maintenance and servicing of the fleet are being developed with the assistance of the Asset and Fleet Management Section. Installing radios and global position tracking systems in all vehicles:

Management Response

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

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	<p>systems in all vehicles; reconciling the total quantity of fuel used to total quantity of fuel purchased; and monitoring the fuel efficiency of all vehicles.</p>					<p>Mobile Radios will be ordered and installed in all vehicles while the vehicle tracking device (VTS) are fitted in all new vehicles new since January 2014. The representation will make the necessary arrangement to equip the remaining older vehicles with a tracking system.</p> <p>Reconciling the total quantity of fuel used to total quantity of fuel purchased is ongoing: The Representation has started to record the information regarding fleet in Algeria.</p>

