



INTERNAL AUDIT DIVISION

REPORT 2018/068

Audit of the Regional Bureau for Europe for the Office of the United Nations High Commissioner for Refugees

**There was a need to address control
deficiencies in emergency preparedness and
response, and management support,
monitoring and oversight**

**29 June 2018
Assignment No. AR2017/163/03**

Audit of the Regional Bureau for Europe for the Office of the United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the Regional Bureau for Europe (the Bureau) for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the Bureau was providing the necessary strategic direction, support and oversight to the operations in the region to ensure efficient and effective implementation of programmes in compliance with UNHCR's policy requirements. The audit covered the period from 1 January 2016 to 30 September 2017 and included a review of the following areas: (a) strategic planning and performance monitoring; (b) emergency preparedness and response; (c) organization structure; and (d) management support, monitoring and oversight arrangements.

The Bureau had effective controls over strategic planning and performance monitoring, and had initiated the revision of its organization structure. However, it needed to strengthen arrangements over emergency preparedness and response and its management support, monitoring and oversight role across the region.

OIOS made three recommendations. To address issues identified in the audit, the Bureau needed to:

- Ensure, in coordination with the Division of Emergency, Security and Supply, that the results of the lessons learned exercise for the European refugee and migrant crisis are finalized and endorsed by Senior Management and shared internally for application in future emergencies;
- Ensure that countries appearing on the high alert list for emergency preparedness complete their preparedness actions and update their diagnostic reports; and
- Establish a centralized mechanism to review and analyze the various monitoring and oversight missions undertaken in the region and take necessary corrective measures to address recurring risk management and control weaknesses across the region.

Following suitable actions taken by the Bureau, two recommendations have been closed. The Bureau has initiated action to implement the only remaining recommendation.

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Audit of the Regional Bureau for Europe 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 Regional Bureau for Europe for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The Regional Bureau for Europe (hereinafter referred to as the ‘Bureau’) provides strategic direction, support and oversight to regional and country offices in Europe covering 46 countries, including 28 European Union Member States, with diverse political traditions and differing levels of asylum systems and integration measures in place.
3. A Director at the D-2 level heads the Bureau and reports to the Assistant High Commissioner for Operations. The European refugee and migrant crisis, which unfolded during the second part of 2015, required the Bureau to scale up its presence and capacity in terms of staff both in the field and in headquarters. In August 2015, the High Commissioner designated the Bureau Director as Regional Refugee Coordinator for the situation in Europe, to lead the UNHCR response to the emergency, ensuring a comprehensive approach across all affected countries and close coordination with the European Union.
4. The key operational and protection priorities for the Bureau were: (i) safeguarding asylum space and ensuring access to territory and acceptable reception conditions including for persons with specific needs; (ii) building and maintaining effective and fair asylum procedures; (iii) securing durable solutions; (iv) preventing and resolving statelessness; and (v) strengthening UNHCR’s external relations.
5. The expenditure of the Bureau in 2016 was \$9.1 million and its budget for 2017 was \$9.4 million. At the time of the audit, the Bureau had 66 staff, including 44 regular staff, 10 staff on temporary assistance, and 12 affiliate staff.
6. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess whether the Bureau was providing the necessary strategic direction, support and oversight to the operations in the region to ensure efficient and effective implementation of programmes in compliance with UNHCR’s policy requirements.
8. The audit was included in the 2017 risk-based internal audit work plan of OIOS because of the risks related to provision of adequate strategic guidance, support and monitoring to diverse operations in the region given that Europe faced a significant refugee and migrant crisis.
9. OIOS conducted this audit from September 2017 to March 2018. The audit covered the period from 1 January 2016 to 30 September 2017. Based on an activity-level risk assessment, the audit covered higher and medium risk areas which included: (a) strategic planning and performance monitoring; (b) emergency preparedness and response; (c) organization structure; and (d) management support, monitoring and oversight arrangements. As the European emergency began in 2015, the audit also briefly covered this period to better link the previous and current operational context.

10. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical reviews of data from Managing for Systems, Resources and People, the UNHCR enterprise resource planning system, and performance data from Focus, the UNHCR results-based management system; (d) sample testing of controls using stratified sampling techniques; and (e) discussions with the Regional Representations in Italy, Bosnia-Herzegovina and Georgia, and the Country Representations in Greece, Serbia and Spain.

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

III. AUDIT RESULTS

A. Strategic planning and performance monitoring

The Bureau had effective controls in place over strategic planning and performance monitoring

12. To better respond to the needs of persons of concern in the region the Bureau is required to provide strategic direction to regional and country offices in its assigned geographical area. In this regard, the Bureau is required to follow a consultative process to articulate clear and consistent strategies in line with the corporate vision, strategy and results framework, and define regional strategic priorities which give guidance to country operations in their definition of indicators/targets. The Bureau is also required to promote and monitor a results-oriented approach for the assessment, design and delivery of regional and country operations. The various units in the Bureau should set objectives and develop work plans to monitor and assess their own performance.

13. OIOS review of the operations plans of three regional and three country operations and discussions held with the respective Representations indicated that the Bureau had ensured that each operation developed a multi-year protection and solutions strategy with a clear vision of what it expected to achieve. These strategies were in line with the selected UNHCR Global Strategic Priorities and the Bureau Strategic Directions for 2017-2019 and were updated to align with the UNHCR's Strategic Directions for 2017-2021. While the Bureau's risk register was not systematically reviewed in 2016, in September 2017 the Bureau with the support from the Enterprise Risk Management Unit reviewed the risk register and updated the risks and treatments for priority risks, which included those relating to implementation of strategic priorities.

14. The Bureau reviewed and monitored a results-oriented approach for the assessment, design and delivery of regional and country operations plans during the Annual Programme Review. It conducted this review in coordination with the Programme Budget Service of the Division of Financial and Administrative Management, and the Programme Analysis Support Service and the Results Based Management Unit of the Division of Programme Support and Management. Six Representations interviewed by OIOS on the consultative process carried out by the Bureau during the operational planning expressed satisfaction with the process. The Bureau further developed a joint strategy with several actors in the region, including child rights organizations and European Union institutions for addressing child protection issues, such as unaccompanied children, and had begun implementation of this strategy. It was also in the process of identifying tangible opportunities for the development and implementation of sexual and gender-based violence and integration strategies during 2018, which were however still dependent on the availability of sufficient funding.

15. In 2016, the Bureau did not adequately establish targets and indicators to measure progress against its priorities under the regional activities programme. In addition, the Bureau units in Geneva and the various liaison offices falling under the Bureau structure did not have work plans. However, in 2017, the

Bureau assigned staff accountabilities and established indicators to measure the performance of its various units. It also ensured that every Bureau unit established work plans to monitor and assess progress towards established objectives and targets. The workplans also allowed the creation and use of performance indicators and targets outside Focus which did not contain headquarters specific indicators. OIOS is aware that UNHCR has embarked on a project to revise its Results Based Management Framework, and that one of its objectives is to remedy the deficiencies in the existing results framework to effectively and efficiently monitor delivery and report on its protection and solutions results, including at headquarters level.

16. Based on the above, OIOS concluded that the Bureau had effective controls over strategic planning and performance monitoring.

B. Emergency preparedness and response

Need to finalize and disseminate the results of the lessons learned exercise for the European emergency and ensure all operations complete emergency preparedness actions and update diagnostic reports

17. To effectively respond to emergencies, the UNHCR Policy on Emergency Preparedness and Response requires the Bureau, jointly with the Division of Emergency, Security and Supply (DESS), to: (a) support preparedness actions; (b) coordinate and support the response with relevant Divisions at headquarters; and (c) undertake field missions to review the protection and operational strategy and conduct a real-time review of the actual emergency response.

18. Following the declaration of a Level 2 emergency in Greece, Serbia and the former Yugoslav Republic of Macedonia on 30 June 2015, UNHCR formed an Emergency Task Force for the Mediterranean Situation, which was jointly led by the Bureau and DESS and represented by all Divisions at headquarters to coordinate and support the response to the crisis. UNHCR also activated a human resources cell and a supply cell to coordinate the deployment of staff and non-food items. A winter cell formed to provide winterization support to the persons of concern proved to be a good practice on how inter-divisional work supported the Bureau in detailed analysis and decision making. The Emergency Task Force and the various cells held meetings on a regular basis and followed up on action points in their subsequent meetings. The Bureau also undertook several missions, in addition to joint assessment missions with DESS, which focused on supporting the countries to build their emergency preparedness and response.

19. The Bureau created an interagency coordination position and led the preparation and finalization of the 2016 and 2017 Regional Refugee and Migrant Response Plan covering the inter-agency response strategy, priorities and funding requirements. As of September 2017, UNHCR requirements amounting to \$332.9 million were 70 per cent funded. Despite regular coordination at the regional level with United Nations agencies, the field level coordination with the International Organization for Migration was impacted in some countries due to a lack of clarity on the respective roles and responsibilities. However, UNHCR management and the Bureau were actively engaged in dialogue with the management of the International Organization for Migration during the emergency to discuss and resolve issues as they arose.

20. OIOS review of the work plans of the Bureau's Emergency Unit, mission reports, minutes of meetings of the Emergency Task Force, emergency preparedness reports, contingency plans, as well as discussions with DESS, Bureau staff in Geneva, and selected operations involved in the emergency identified the following weaknesses in how the European crisis was managed:

- Despite warning signs since 2014 on the movement of refugees to Europe, which increased significantly in early 2015, the Bureau and DESS did not adequately support the region in taking preparedness measures like the advanced preparedness actions and contingency planning to be able

to effectively respond to the emergency as it unfolded. As this was a responsibility of the European Union, UNHCR initially believed that the European Union would manage the crisis and made calls for the respective governments to undertake contingency planning. As mentioned in paragraph 18, UNHCR declared a Level 2 emergency on 30 June 2015 in Greece, Serbia and the former Yugoslav Republic of Macedonia, and in September 2015 it extended the emergency to include Hungary, Slovenia and Croatia.

- Due to the evolving position of the Organization as regards the European Union's intent and capacity to respond, it took time for UNHCR to decide and clarify its role in the emergency vis-à-vis its relationship with the European Union and governments in the region. The Bureau launched the Mediterranean initiatives with related protection strategies before the declaration of the emergency. After the emergency declaration, it continued to provide regular protection guidance to the field operations and developed in October 2015 a draft Protection Strategy for People on the Move, outlining the protection priorities and operational restrictions. However, the finalization of this strategy document was delayed and it was issued only on 7 December 2015. The lack of a comprehensive strategy, including technical components such as shelter, accommodation and supply chain, affected the initial operational response.
- The Bureau did not undertake a real-time review of the emergency, jointly with DESS, as required under the Policy on Emergency Preparedness and Response to assess the timeliness, efficiency and effectiveness of the operational response and to make necessary adjustments. Due to the ever-changing nature of the European crisis, the Bureau and DESS decided to undertake a lessons learned exercise instead, as they considered that a real-time review was not appropriate. However, the completion of the lessons learned exercise was also delayed. Although workshops were held in Belgrade, Geneva and Athens between September 2016 to June 2017, at the time of the audit the results of the lessons learned exercise had still not been finalized.
- Starting 2016, the Bureau desks regularly monitored and, together with DESS, supported the preparedness actions each country needed to undertake to ensure their readiness to respond to an emergency. At the time of the audit, there were nine countries in Europe appearing on the high alert list for emergency preparedness. From these, the country operation in Cyprus still needed to complete the preparedness actions and submit the emergency preparedness diagnostic report. Also, there were five country operations (Greece, Serbia, Turkey, Armenia and Ukraine), which had undertaken the preparedness actions but their emergency preparedness diagnostic reports needed to be updated.

21. As long as the weaknesses noted above are not addressed, the Bureau, and UNHCR as a whole, could continue to be exposed to the risk of not being able to respond effectively and in a timely manner to future emergencies.

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| <p>(1) The UNHCR Regional Bureau for Europe, in coordination with the Division of Emergency, Security and Supply, should ensure that the results of the lessons learned exercise for the European crisis are finalized and endorsed by Senior Management and shared internally for application in future emergencies.</p> <p>(2) The UNHCR Regional Bureau for Europe should ensure that countries appearing on the high alert list for emergency preparedness complete their preparedness actions and update their diagnostic reports.</p> |
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UNHCR accepted recommendation 1 and stated that the results of the lessons learned exercise for the European crisis were finalized, endorsed by the Senior Management and shared internally. Based on the action taken and documentation provided by UNHCR, recommendation 1 has been closed.

UNHCR accepted recommendation 2 and stated that the operations on the high alert list for emergency preparedness in Europe had completed the preparedness action and updated their diagnostic reports. Based on the action taken and documentation provided by UNHCR, recommendation 2 has been closed.

C. Organization structure

Revision of the Bureau's structure was initiated to ensure it remains aligned with strategic priorities

22. To meet the evolving operational needs of the operations in the region, the Bureau is required to clarify and ensure awareness of managers and staff of the decision-making processes, team roles, responsibilities and reporting lines within the Bureau and with other headquarters Divisions and regional offices in Europe. The Bureau should also periodically ensure that its structure, and thematic and geographical coverage, remain aligned with its mandate and priorities.

23. The UNHCR Organizational Development and Management Service (ODMS) conducted a structural and staffing review of the Bureau in 2014. The Bureau implemented the ODMS recommendations in 2015, following the endorsement of these recommendations by the High Commissioner in September 2015. Among other things, the position of the Director was relocated from Brussels to Geneva in January 2016. Following the declaration of the emergency in June 2015, several structural changes were made to respond to it, such as the creation of a dedicated Emergency Unit, which was headed by the Deputy Director in addition to her existing responsibilities. A second Deputy Director function was established in July 2016, but only filled in January 2017, to support the management of other aspects of the work of the Bureau. During that period, the Regional Representative in Brussels filled the gap supporting the Director on regional and headquarters-based processes. The Director directly supervised the Resource Management Unit and the Non-European Union Unit in Geneva and the Policy and Legal Support Unit (PLUS) in Brussels, in addition to the responsibilities as the Regional Refugee Coordinator, which were quite demanding.

24. At the time of the audit, the Bureau was organized into two geographically defined areas of responsibilities (Eastern Europe/Western Balkans and European Union/Turkey), each under the responsibility of a Deputy Director, while the Resource Management Unit and PLUS reported directly to the Director. Also, other services and units (e.g., for statelessness, information management and strategic communication, strategic litigation, inter-agency coordination, resettlement and security), which provided technical support to the entire region were allocated between the two Deputy Directors and PLUS.

25. Based on a review of the organigrams, job descriptions, terms of reference, and discussions with ODMS, Bureau staff in Geneva, Brussels, liaison offices and selected field operations, OIOS observed the following weaknesses relating to the existing structure:

- To deal with the European crisis, the Emergency Unit expanded to a team of 30 staff towards the end of 2016. Following the deactivation of the emergency on 31 December 2016, the Bureau revised its structure and allocated the Emergency Unit capacity between the Deputy Directors. However, the Bureau continued with a team of 26 staff, including 10 temporary assistance posts that were created for the emergency. The Bureau had not completed the review of its entire structure

to ensure that it is properly aligned with its strategic priorities, such as communications and information management, and the post-emergency support needed to stabilize the expanded operations in the region. Also, the use of temporary assistance was not reduced as expected.

- The 2014 ODMS review indicated that the reinforced presence in Brussels had a visible and tangible impact on UNHCR's cooperation with the European Union institutions. However, the structure of PLUS was not aligned to the strategic priorities of enhancing integration prospects of refugees in Europe, as a staff member on temporary assistance who headed the Resettlement Unit in PLUS acted as the integration focal point for the region. A lack of prioritization of resources towards its strategic priorities may impact UNHCR's cooperation with the European Union institutions.
- There were inconsistencies in the existing structure and reporting lines. For example: a) although there was a geographical demarcation of responsibilities between the two Deputy Directors, the UNHCR country operation in Moldova, a non-European Union country, reported to the Regional Representation in Central Europe based in Budapest, Hungary, which may not have expertise in dealing with non-European Union issues; b) the P-5 Senior Operations Manager under one Deputy Director supervised the Desk Officers, Desk Associates and the Inter-agency Coordinator, whereas the P-5 Head of Policy and Field Support Unit under the other Deputy Director supervised the Protection Unit and acted as a Desk for the Regional Representation in South Caucasus, while the other Desk Officers reported directly to the Deputy Director. Differentiated reporting lines and a multi-layered structure for desk functions could result in inefficiencies and duplication of work.
- The Bureau used three different designations for four similar functions at the P-4 level, such as for Senior Liaison Officer, Representative Liaison Officer, and Head of Liaison Office. In addition, the job descriptions for these posts were very brief and did not include the authorities, responsibilities and accountabilities and the competencies required. The Bureau stated that the heads of three of its four Liaison Offices had been formally designated as Head of Liaison Office and when the posts would be re-advertised the job descriptions would be revised accordingly.
- As the Bureau expanded during 2015-2016, protection support capacities were strengthened and created in Geneva, Brussels and the Regional Representation in Tbilisi, Georgia. However, the division of responsibilities between these units was not communicated to all countries. This created a risk of duplication and overlaps. In January 2017, the then-Director revised the Bureau structure into two geographically defined areas of responsibilities. In May 2017, the Bureau further clarified the division of responsibilities for the protection function. However, as PLUS and the Protection Support Unit (for European Union and Turkey) covered a similar geographic area in dealing with protection issues, there were some complementary activities but at the same time a risk of overlapping of responsibilities, which needed close collaboration to ensure effective support to the operations.

26. The Bureau had not fully reviewed and revised its structure as there had been a recent change in the leadership of the Bureau and the previous Director preferred that the new Director takes charge of completing this structural review. The new Director initiated the process of reviewing the existing strategic directions and ensuring that the revised Bureau structure continued to be aligned with its mandate and priorities for 2018 and beyond. While the audit was ongoing, the Bureau restructured PLUS and the Regional Representation for Western Europe in Brussels. The Bureau stated that the completion of its structural review was dependent on and needed to be aligned with the ongoing structural review of UNHCR headquarters functions, which formed part of the larger organizational change management process in UNHCR, including regionalization. As a result, the Bureau would continue to revise its organization

structure throughout 2018, while expecting full completion by 2019. In view of the action taken and the ongoing organizational change management process at UNHCR, OIOS did not make a recommendation on the organization structure of the Bureau.

D. Management support, monitoring and oversight

Need to review and analyze the various monitoring and oversight missions undertaken in the region

27. In order to achieve the expected programme and project results, the Bureau is responsible for providing support and monitoring to the regional and country offices in its assigned geographical area. Specifically, the Bureau is required to ensure that: UNHCR protection policies, standards and doctrine are consistently and coherently applied across the region; financial management throughout the region is in line with the financial rules and policies; UNHCR's workforce in the region complies with the staff rules and regulations and human resources policies; and corrective actions are taken to address deficiencies identified through audits and other oversight activities. Also, the Bureau should monitor and assess UNHCR's performance and impact in the region through regular missions and through Focus.

28. OIOS reviewed documents such as mission reports and held discussions with staff of the Bureau, Programme Budget Service of the Division of Financial and Administrative Management, Programme Analysis Support Service and Results Based Management Unit of the Division of Programme Support and Management, and selected operations to determine the adequacy of the Bureau's support and monitoring of regional and country offices in the region, and noted the following:

29. Management support: The Bureau undertook support missions and provided technical assistance and quality assurance services to regional offices and country offices in the region. The support missions were based either on requests, regional priorities or emergencies, and included aspects of: (a) planning on the use of adequate data in programme design; (b) governance and management, such as adequacy of supervisory structures, opening and closure of field offices, adequacy of regional contract committees, identification of country offices' priorities and expected results, staffing structure, risk management, and reporting on use of resources and achievement of results; (c) protection support from the protection units in Geneva and Tbilisi and PLUS in Brussels on activities such as child protection and protection of stateless persons; (d) programme implementation (including emergency response and cash based interventions); and (e) reporting to donors and other stakeholders. OIOS concluded that the Bureau provided adequate support to regional offices and country offices in the region under its purview.

30. Monitoring: The Bureau conducted performance monitoring of programme activities in the regional offices and stand-alone countries through the Annual Programme Reviews, mid-year reviews and annual reports. Although it had included monitoring activities in its work plans, these were not always risk-based and, therefore, may not have covered key areas of risk or performance gaps in the country operations in the region. In addition, there was lack of clarity on the extent to which the Bureau was responsible for monitoring compliance and implementation of UNHCR policies, standards and guidelines in areas such as financial management, protection, supply management, human resources management, information and communication technology and security management. The Bureau attributed this to the lack of relevant and required number of staff with technical capacity and expertise to follow up on all these areas. In addition, it stated that under Chapter 2 of the UNHCR Manual compliance monitoring was not clearly mentioned as the sole responsibility for the Bureau, although at the same time it did not have a comprehensive and consolidated view of how substantive Divisions, other headquarters functions or regional offices were undertaking monitoring activities in the region. Therefore, there was an increased risk that the Bureau may not have an integrated view on whether the operations in the region were implementing UNHCR policies and programmes effectively.

31. Tracking of missions and recommendations made in mission reports: During the emergency, the number of missions undertaken by the Bureau, Divisions and specialized technical units to the countries involved in the emergency significantly increased. Between May 2015 to May 2016, there were 34 such missions. Also, there were missions to non-emergency countries as well as external donor missions. However, there were instances where the Bureau desks were not made aware of the monitoring missions undertaken by the Divisions or other headquarters functions or the oversight missions by external parties. These missions made several recommendations, many of which were not followed up on or a root cause analysis of recurrent weaknesses observed in the missions was not undertaken.

32. The above shortcomings were attributed to several factors such as lack of organizational clarity on the extent of the shared accountability for monitoring the implementation of policies and the Bureau role in the implementation of policies, and inadequate resources. ODMS also stated that the Global Management Accountability Framework was under revision. However, as the Bureau has primary monitoring responsibility over operations in the field, if it does not have a centralized and systematic process or tool to review and analyse the various monitoring and oversight missions undertaken and reports issued, it may not be in a position to take early corrective action to address recurring risk management and control weaknesses, and their root causes, across the region.

(3) The UNHCR Regional Bureau for Europe should establish a centralized mechanism to review and analyze the various monitoring and oversight missions undertaken in the region and take necessary corrective measures to address recurring risk management and control weaknesses across the region.

UNHCR accepted recommendation 3 and stated that the Bureau had developed and shared with its staff and all Divisions a monitoring matrix and standard operating procedures to ensure that all oversight and monitoring missions undertaken in the region are recorded, analyzed and monitored starting 1 July 2018. Recommendation 3 remains open pending receipt of evidence of the actual use and practical application of the matrix.

Action was taken to address weaknesses in selection and remuneration of consultants and contractors

33. To ensure that international consultants are selected following a transparent and competitive process as promulgated in the UNHCR Policy on Hiring Individual Consultants and Contractors, the Bureau Director is delegated with the authority to review and approve the hiring of international consultants and contractors in the region.

34. OIOS reviewed the process of selection, remuneration, payment and approval of 25 individual contracts (consultant and contractors) hired by the Bureau for a total amount of \$389,080 in 2016 and 2017. The review identified that in eight cases totalling \$199,136, or 51 per cent of the total expenditure, the Bureau waived the competitive selection processes due to exceptional circumstances. Although this was documented in each case, the Bureau did not demonstrate that the selected candidate was the only available person for the service and that the candidate was hired at a reasonable cost as required. In one case involving \$3,567, the decision to hire the selected consultant had been reached by the hiring manager already prior to initializing the hiring process.

35. In one case involving a total fee of \$22,488, the contractor commenced work three days before the contract was issued and signed by both parties. The Bureau stated this was due to a delay in approving the consultant by the Affiliate Workforce Unit of the Division of Human Resources Management. However,

even a single incident could expose the Bureau to reputational risk in the event of a dispute relating to compensation.

36. In addition, the Bureau did not ensure that for individual contractors who were required to travel, a security clearance was systematically obtained through the United Nations Department for Safety and Security and that the contractors had completed the mandatory Basic Security in the Field training.

37. In 2016, the Bureau hired a consultant at a cost \$19,468 to provide guidance to enhance UNHCR capacity and strategic approach on issues relating to sexual and gender-based violence in Greece. The consultant was engaged following a waiver process at level D remuneration of \$640 per day which, as per the Policy on Hiring Individual Consultants and Contractors, could only be used to provide advisory services related to organization-wide policy and strategic issues. In addition, despite extending the contract, the consultant did not deliver any of the agreed results indicated in the terms of reference. The results were required to be incorporated into the planning process for the operations in Greece, which did not happen. The Legal Affairs Service advised the Bureau on the way forward with two options: not to pay the final instalment as it was contingent on the delivery of the final report, or to claim the advance instalment from the consultant for non-performance. The Bureau opted for the first option of not paying the final instalment on the grounds that the purpose of the advance payment was to cover the travel costs and fees for the days on mission and it had received a partial report from the consultant. However, OIOS noted that the conditions of the contract required delivery of a final report and moreover, the Bureau had rejected the partial report. Therefore, OIOS was of the view that the consultancy services had not been delivered and the advance payment needed to be recovered.

38. After the audit fieldwork, the Bureau finalized a Note for the File and the request form for a write-off of the advance payment made to the consultant and shared them with the Division of Financial and Administrative Management (DFAM). However, DFAM stated that since the payment was fully expensed in 2016, there was no need or basis for reinstating an unrecoverable receivable to be subsequently written off. Also, the consultant had not been rehired for any other work at UNHCR since December 2016 and, under the revised procedures, all affiliates had to be cleared by the Affiliate Workforce Unit before they could be hired. Based on the actions taken and the process improvements made at UNHCR, OIOS did not make a recommendation on this issue.

39. While the Bureau's control mechanisms ensured identification of cases requiring a waiver, other key controls over management of consultancy contracts were not prioritized. Notably, in the case relating to the non-performance of a consultant, while acting on the advice of the Legal Affairs Service, the Bureau did not fully evaluate the risks associated with the failure to correctly record and recover the payments made under this consultancy contract. The Bureau explained that the identified control weaknesses were due to the European emergency, but that in 2017 it had taken action to revise its standard operating procedures over individual contractors to ensure better compliance with the Policy on Hiring Individual Consultants and Contractors.

IV. ACKNOWLEDGEMENT

40. 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) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the Regional Bureau for Europe for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The UNHCR Regional Bureau for Europe, in coordination with the Division of Emergency, Security and Supply, should ensure that the results of the lessons learned exercise for the European crisis are finalized and endorsed by the Senior Management and shared internally for application in future emergencies.	Important	C	Action completed	Implemented
2	The UNHCR Regional Bureau for Europe should ensure that countries appearing on the high alert list for emergency preparedness complete their preparedness actions and update their diagnostic reports.	Important	C	Action completed	Implemented
3	The UNHCR Regional Bureau for Europe should establish a centralized mechanism to review and analyze the various monitoring and oversight missions undertaken in the region and take necessary corrective measures to address recurring risk management and control weaknesses across the region.	Important	O	Submission to OIOS of evidence of the actual use and practical application of the matrix.	30 September 2018

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.

APPENDIX I

Management Response

Management Response

Audit of the Regional Bureau for Europe 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 Regional Bureau for Europe, in coordination with the Division of Emergency, Security and Supply, should ensure that the results of the lessons learnt exercise for the European crisis are finalized and endorsed by the Senior Management and shared internally for application in future emergencies.	Important	Yes	Deputy Director and Senior Operations Manager, RBE	14 June 2018	<p>a) On 13th June, the results of the lessons learnt exercise for the European crisis is being finalized and endorsed by the Senior Management (Directors of RBE & DESS);</p> <p>b) On 14th June, the document has been shared with SMC members for wider distribution.</p> <p>In view of the above actions, we recommend the closure of this recommendation.</p>
2	The UNHCR Regional Bureau for Europe should ensure that countries appearing on the high alert list for emergency preparedness complete their preparedness actions and update their diagnostic reports.	Important	Yes	Assistant Rep (Operations), Greece	15 April 2018	<p>This recommendation has been implemented and closed by OIOS upon submission of relevant evidence for the appropriate action in April 2018.</p> <p>Please refer to paragraph 20 of the draft report which states this decision as in the following: “Based on the action taken and documentation provided by UNHCR, recommendation 2 has been closed.”</p>
3	The UNHCR Regional Bureau for Europe should establish a centralized	Important	Yes	Senior Resource Manager, RBE	13 June 2018	<p>a) The Bureau has developed a Monitoring Matrix and SOPs to</p>

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.

	<p>mechanism to review and analyze the various monitoring and oversight missions undertaken in the region and take necessary corrective measures to address recurring risk management and control weaknesses across the region.</p>				<p>ensure that all oversight and monitoring missions undertaken by/for RBE Operations have been recorded, analyzed and monitored to ensure that the (recurring) gaps and risks are identified for timely and appropriate action.</p> <p>b) The Monitoring and Oversight Matrix and the related SOPs have been shared with the Divisions and the Bureau staff for implementation to take effect as of 1st July.</p> <p>In view of the above actions, we recommend the closure of this recommendation.</p>
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