



INTERNAL AUDIT DIVISION

REPORT 2020/017

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

**There was a need to strengthen controls over
partnership management, procurement and
vendor management, fair protection process
and documentation, security from violence
and exploitation and cash-based interventions**

6 August 2020

Assignment No. AR2019-121-02

Audit of the operations in Greece 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 operations in Greece for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the UNHCR Representation in Greece was managing the delivery of services to its persons of concern in a cost-effective manner and in compliance with UNHCR's policy requirements, with due regard to the risks that it was exposed to in the context in which it was operating. The audit covered the period from 1 January 2018 to 31 August 2019 and included a review of: (a) partnership management; (b) procurement and vendor management; (c) fair protection process and documentation; (d) security from violence and exploitation; and (e) cash-based interventions.

OIOS concluded that there was a need for the Representation to strengthen procedures and controls over all areas covered by the audit.

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

- Ensure timely preparation of project partnership agreements, proper delegation and monitoring of procurement undertaken by partners, and regular financial and performance monitoring of projects;
- Develop procurement plans according to identified needs, and enhance compliance with procurement procedures;
- Designate a senior manager as a focal person for the accommodation scheme for asylum seekers, establish and implement an action plan to strengthen controls over the scheme, and retroactively seek approval for donor earmarked funds that were redirected;
- Improve internal coordination and controls over target setting, monitoring and reporting of programmes related to sexual and gender-based violence; and
- Systematically check the accuracy of data entry related to cash assistance, in particular the legal status of beneficiaries during enrolment and verification.

UNHCR accepted the recommendations, took action to implement one and has initiated action to implement the remaining four.

CONTENTS

I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	1-2
III. AUDIT RESULTS	2-9
A. Partnership management	2-3
B. Procurement and vendor management	3-4
C. Fair protection process and documentation	4-7
D. Security from violence and exploitation	7
E. Cash-based interventions	8-9
IV. ACKNOWLEDGEMENT	9
ANNEX I	Status of audit recommendations
APPENDIX I	Management response

Audit of the operations in Greece 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 Greece for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The UNHCR Representation in Greece (hereinafter referred to as ‘the Representation’) was established in March 1952. As of 31 December 2018, there were 61,460 refugees and 76,099 asylum seekers in Greece of whom 82,847 were assisted by the Representation. Major countries of origin of the refugees were Syria (23,931 persons), Afghanistan (9,291 persons) and Iraq (8,828 persons). In 2018 and 2019, the Representation’s main strategic objectives were related to improving reception conditions and ensuring the assisted population had sufficient basic and domestic items. In financial terms these two objectives accounted for 88 per cent of the programme expenditure for 2018 and 87 per cent of the budget for 2019.
3. The Representation had a Country Office in Athens, two Sub-Offices in Thessaloniki and Lesbos, three Field Offices in Chios, Samos and Kos, and four Field Units in Leros, Rhodes, Ioannina and Evros. The Representation was headed by a Representative at the D-1 level and had 173 staff members (26 international and 147 national) and 204 affiliate staff of whom 69 were seconded to governmental entities. The Representation incurred expenditure of \$237 million in 2018. Its budget for 2019 amounted to \$217 million of which \$180 million was spent by 31 August 2019. During 2018 and 2019, the Representation worked with 35 partners. In 2018, the total expenditure of the 35 partners amounted to \$123 million and accounted for 57 per cent of the programme-related expenditure disbursed during the year.
4. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

5. The objective of the audit was to assess whether the UNHCR Representation in Greece was managing the delivery of services to its persons of concern (PoCs) in a cost-effective manner and in compliance with UNHCR’s policy requirements, with due regard to the risks that it was exposed to in the context in which it was operating.
6. This audit was included in the 2019 risk-based internal audit work plan of OIOS because of risks associated with the complex operational landscape and humanitarian needs in Greece.
7. OIOS conducted the audit from October 2019 to January 2020. The audit covered the period from 1 January 2018 to 31 August 2019. Based on an activity-level risk assessment, the audit covered the higher risk areas of: (a) partnership management; (b) procurement and vendor management; (c) fair protection process and documentation; (d) security from violence and exploitation; and (e) cash-based interventions (CBI).
8. The audit methodology included: (a) interviews of key personnel; (b) review of relevant documentation; (c) analytical review of data, including financial data from Managing for Systems, Resources and People (MSRP), the UNHCR enterprise resource planning system, and performance data from Focus, the UNHCR results-based management system; (d) review of data extracted from proGres version 4 (hereinafter referred to as ‘proGres’), the UNHCR registration and case management system; (e)

sample testing of controls using systematic and random methods; and (f) visits to the UNHCR offices in Athens, Thessaloniki and Lesvos, the offices of five partners implementing UNHCR projects, six apartments rented by the Representation for PoCs, four Government-run sites, and five other project sites.

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

III. AUDIT RESULTS

A. Partnership management

There was a need to strengthen controls over partnership management

10. OIOS assessed that the Representation adequately conducted the partner selection and retention process in accordance with UNHCR procedures. However, controls over other areas of partnership management needed to improve as shown below.

11. The Representation had delegated procurement worth \$55.6 and \$44.6 million to partners in 2018 and 2019, respectively. However, it had not always done its due diligence in ensuring that it was beneficial to delegate procurement to partners instead of conducting it directly. For instance, it performed the required comparative advantage assessments for procurement through 28 partners only in July 2019, well after the 2019 project partnership agreements (PPAs) were signed. Moreover, it delegated to partners procurement exceeding \$100,000 (totalling almost \$100 million for 2018 and 2019) without properly assessing their capacity to procure; a requirement for all procurement delegated above \$100,000. Eleven partners were also not pre-qualified by the Division of Emergency, Security and Supply at UNHCR headquarters to conduct procurement on behalf of UNHCR, and five of them had not applied for pre-qualification status. OIOS identified weaknesses in procurement procedures of a large partner to whom the Representation had delegated procurement worth \$11.0 million in 2018 and \$6.6 million in 2019, including lack of competitive bidding, absence of a bid opening committee, and insufficient details available to conduct a proper financial evaluation of offers received.

12. There were delays in signing PPAs with partners. Of 75 PPAs for 2018 and 2019, 51 were signed after the start of the project cycle. These PPAs were signed on average between three to four weeks after the project had started. Moreover: (a) as of October 2019, no PPA had been signed for a project that started on 1 July 2019 and was planned to be completed by 31 December 2019; and (b) a PPA was signed on 16 March 2018 for a project that started on 1 January 2018 and was planned to be completed by 30 April 2018. For this project, an amendment was made on 27 December 2018, with the Representation reporting unsatisfactory achievement of project objectives caused by the delay.

13. The Representation's risk-based plans for financial and performance monitoring of partner projects were also not prepared or not well developed, with 14 visits planned to a low-risk partner and 5 to a medium-risk partner. About 50 per cent of the planned monitoring visits were not conducted, and there were delays in reviewing partners with large project budgets. The Representation was also not consistent in ensuring performance monitoring of projects were conducted by a Multi-Functional Team (MFT), with at least five projects valued at \$20.6 million visited by a single person. OIOS review of the quality of the Representation's monitoring noted gaps as well as inadequate intervention from UNHCR to improve partners' activities. Therefore, poor performance and non-compliance issues continued. For example:

- In December 2018, the Representation retroactively approved the funding for a project related to four shelters costing \$1.8 million. This was approved after the Representation' financial

verification noted in November 2018 that for two of the four shelters the partner was unable to provide invoices supporting expenditure of \$382,636 incurred between August and October 2018. The financial verification conducted in March 2019 also did not follow-up to ensure the appropriate documents were retrieved or the funds provided recovered.

- A MFT monitoring visit to a partner in Lesvos in February 2019 found that 26 apartments that the partner was responsible for managing were infested by mold. While the partner committed to fix the problem by early summer, as at 16 October 2019, OIOS found that these conditions remained in 7 of the 26 apartments, and continuing to pose a health and safety risk.

14. As a result of the above, the Representation was exposed to the risk of failure to achieve its project objectives and to obtain best value from projects implemented by partners.

(1) The UNHCR Representation in Greece should improve its oversight and monitoring of partnership management by: (i) ensuring the timely preparation of project partnership agreements; (ii) conducting adequate due diligence before delegating procurement to partners; and (iii) enhancing financial and performance monitoring of projects.

UNHCR accepted recommendation 1 and stated that: (i) in 2020, the Representation had signed PPAs with partners in a timely manner; (ii) the Representation had taken requisite corrective measures regarding partner procurement; and (iii) the terms of reference of the MFT, evidence of training, and the monitoring tracking table would be shared by 30 September 2020. Recommendation 1 remains open pending receipt of evidence of the timely preparation of risk-based project monitoring plans and their implementation.

B. Procurement and vendor management

The Representation needed to strengthen management supervision over procurement

15. The Representation issued 1,011 purchase orders valued at \$35.1 million in the audit period. OIOS reviewed 35 purchase orders and related contracts and frame agreements amounting to \$8.7 million (representing 25 per cent of the total procurement value) and all minutes of LCC meetings held during the period.

16. The Representation prepared procurement plans for 2018 and 2019. These plans, however, did not include: (a) procurement delegated to partners; (b) the administration budget for Sub-Office Lesvos for 2018; and (c) procurement for security services, information and communications technology consumables, and utilities for 2018. Additionally, OIOS review noted the following weaknesses in procurement management:

- The Representation issued 35 non-purchase order vouchers totalling \$1.2 million that exceeded \$4,000, which was the threshold to issue a purchase order, and thus violated UNHCR rules. For instance, in 2018 and 2019, the Representation paid \$319,861 and \$373,641 respectively for waste disposal services and electricity, without signing a contract or raising purchase orders, and without obtaining the Headquarters Committee on Contracts (HCC) approval.
- Three purchase orders totalling \$1.9 million (\$1.8 million for fuel for generators in the Kara Tepe site and the remainder for earthquake preparedness kits and transportation services) were processed as emergency procurement based on fast-track procedures, although they were not related to an urgency.

- The Representation obtained a waiver of competitive bidding from the HCC for fuel costing \$1.8 million. However, the reason for this was not justified, as there were at least four suppliers available and fuel prices were not fixed. Furthermore, contrary to UNHCR’s procurement rules and procedures, the Representation inquired about prices from the four fuel suppliers in a request for information and selected one of them based solely on the information received. The Representation addressed this and conducted a new competitive bidding process after the expiration of the initial contract.
- Staff email addresses were used for corresponding with prospective vendors, and there was evidence of a staff member emailing a vendor about the format (not the content) of their proposal, resulting in a revised offer being submitted directly to the staff member. The offer was accepted, even though it was received after the other financial bids had been opened. This vendor subsequently won the bid. Once OIOS brought this flawed process to the attention of the Representation, a separate e-mailbox for all supply/tender-related issues was created.

17. The weaknesses cited above were caused by inadequate management supervision and late identification of procurement needs, and because supply staff were not fully conversant with certain procurement procedures. The Representation subsequently advised that training was conducted to address staff capacity gaps.

(2) The UNHCR Representation in Greece should strengthen management supervision over procurement to ensure that: (i) procurement plans are developed according to identified needs; and (ii) rules and procedures on procurement are adhered to.

UNHCR accepted recommendation 2 and stated that: (i) the Representation had finalized a comprehensive procurement plan covering both programme and administrative budgets for 2020; and (ii) procurement procedures had been strengthened. Based on the action taken by UNHCR, recommendation 2 has been closed.

C. Fair protection process and documentation

There was insufficient management oversight of the accommodation scheme for asylum seekers

18. PoCs arriving in Greece were accommodated in Reception and Identification Centers run by the Government as the first-line reception. Once registered by the Government as asylum seekers, PoCs were referred to the second-line reception, which were either Government-run sites or apartments rented by the Representation’s partners under the Emergency Support to Integration and Accommodation (ESTIA) project for the most vulnerable PoCs. The Representation’s objective “Reception conditions improved” was its largest in financial terms and totaled over \$200 million for 2018 and 2019. The Representation implemented this objective mainly through providing 21,373 PoCs with accommodation (residing in ESTIA accommodation) and social support.

Budgeting

19. For 2019, the Representation for accountability purposes planned to allocate partner personnel costs to specific outputs. For instance, personnel costs related to the provision of accommodation would be allocated to the output “Reception-transit centre infrastructure established and maintained” and those related to social support would be allocated to the output “Individual/family material and psychosocial support provided”. OIOS review of the PPA for 2019 for the largest ESTIA partner showed that the

Representation incorrectly allocated personnel costs of 104 social scientists and 49 interpreters to the output of “Reception-transit centre infrastructure established and maintained”, and not the output of “Individual/family material and psychosocial support provided.” Similar allocation errors were made in other PPAs. As a result, it was difficult to provide proper analysis of direct delivery cost of provision of accommodation. In the case of 20 of the 22 ESTIA partners, the project budget for personnel cost under the accommodation output exceeded that for rent, which seemed excessive, and needed to be reviewed.

Enrolment

20. OIOS reviewed the enrolment process in proGres for the Representation’s two major assistance programmes – ESTIA accommodation and CBI. The enrolment was linked to an individual’s legal status and therefore it was critical to ensure that proGres records were up-to-date and accurate. Also, eligibility and referral to ESTIA required at least one member of the household to meet the UNHCR vulnerability criteria. Furthermore, to remain in ESTIA accommodation, beneficiaries had to follow the asylum procedure and obtain valid asylum or refugee documents. A review of proGres data noted the following:

- ProGres records did not indicate any vulnerability criteria for 3,224 households; corresponding to 43 per cent of the total of 7,448 households. OIOS selected 22 cases from the waiting lists of Field Unit Attica and Sub-Office Lesvos and found 11 (50 per cent) cases in which the vulnerability criteria indicated in the lists had not been recorded in proGres.
- To ensure refugees remain eligible for ESTIA, partners were required to check residents’ certificates on a monthly basis. ProGres records included 886 beneficiaries holding only a police note, which is a document issued by the local police prior to the beneficiary being registered as an asylum seeker. These beneficiaries resided in ESTIA accommodation for an average of 336 days. A review of proGres records of 15 households selected from the aforementioned 886 beneficiaries indicated that 9 held asylum documents that had expired more than one month earlier; rendering these PoCs no longer eligible for ESTIA.
- The proGres records contained anomalous combinations of the PoCs’ status and the relevant legal document they possessed. Of 7,339 recognized refugees, 129 held only a police note. Of 14,237 asylum seekers, 14 already held a residence permit which should only be obtained after recognition as a refugee.

Standard operating procedures (SOPs)

21. There were 11 different SOPs and guidance notes applicable to ESTIA, but none of these documents addressed post-distribution monitoring or monitoring of partners’ compliance with key programme requirements. In addition, more than one person should have been involved in determining the vulnerability and risk level of PoCs for referral to ESTIA, but the relevant SOPs did not indicate such a requirement. According to Sub-Office Lesvos, a multi-stakeholder committee was involved in the decision-making process for referrals to ESTIA accommodation on the Greek islands; however, the composition memorandum and the minutes of the committee meetings were not made available to OIOS. For referrals to ESTIA accommodation on the mainland, there was no documentation to record who was involved in the decision-making process. Such anonymity and potential subjectivity created scope for error and risks related to fraud, abuse and corruption.

22. The SOPs on eligibility and referral procedures to ESTIA required the level of risk to PoCs to be determined as high, medium or low in order to facilitate prioritization of referrals, but these risk levels were not recorded. The risk determination was of critical importance, because persons considered to face low

risks were referred to the Government-run sites and not to ESTIA accommodation. Nevertheless, it was impossible to verify whether the waiting lists contained only PoCs facing high or medium risks.

23. The Representation managed 39 waiting lists containing 4,898 individuals. Some of these lists had different designs, as was the case for Field Unit Attica, and included inaccurate information. For example, the longest list containing 633 individuals had information on the closest asylum office entered in a column related to vulnerability, while another list contained 10 cases where the column on vulnerability was blank. In the case of Sub-Office Lesvos, proGres identification numbers were missing for 103 out of 155 households.

Monitoring of partners

24. The Representation's monitoring of partners was not tailored to the specificities of ESTIA. For example, there was no mechanism to systematically check the accuracy of proGres data managed by partners when 233 personnel of the 22 partners were involved in continuous enrolment. Moreover, although partners were required to check beneficiaries' documents every month and to establish and maintain a complaints mechanism, the Representation's monitoring was not sufficiently comprehensive to ensure the compliance of partners with these requirements. OIOS visit to the largest ESTIA partner found that the partner could not provide evidence of having conducted monthly checks of beneficiaries' documents or a list of beneficiary complaints received indicating the status of each complaint.

Reporting on achievements

25. The Representation's reporting on its achievements in protection was unclear. For example, for the objective "Reception conditions improved", the Representation's Key Indicator Report for 2018 set the same impact indicators and reported the same achievements under two different goals "Advocacy for protection and solutions" and "Protection and mixed solutions". The differences in activities under the two goals were not explained in the Representation's country operations plan or year-end report. In addition, the Representation reported a significant underperformance for these two impact indicators. The year-end result for the impact indicator "Extent reception arrangements are adapted to assist PoCs with specific needs" was 7 per cent, when its baseline was 55 per cent. The year-end result for the other indicator "Extent reception conditions meet minimum standards" was 40 per cent, when its baseline was 100 per cent. According to the Representation, this was because for 2018 it had been stricter in applying the guidance provided by headquarters. However, the significant shortfall was not explained in the year-end report.

Reporting to a donor

26. In accordance with a donor agreement, the Representation handed over the implementation of a shelter project to the Government in 2017. The donor continued to fund the project through the Government. The partner (the largest ESTIA partner) that had been previously implementing this shelter project for UNHCR continued to implement the project. In December 2018, the Representation accepted to retroactively fund part of this project for 2018 by using donor funds of \$1.8 million and earmarked for ESTIA. The Representation explained that it decided to contribute to the shelter project because the Government refused to fund this part of the project, and the partner was facing serious financial constraints, which would have a significant impact on the implementation of ESTIA due to its inability to pay rent for accommodation. However, the Representation did not seek the donor's approval, and the Representation's donor report did not disclose it.

27. The weaknesses discussed above were caused by the absence of a senior manager in the Representation to oversee and supervise the implementation of the ESTIA accommodation scheme. As a

result, the Representation was not able to sufficiently demonstrate that it utilized its resources in accordance with donor requirements.

- (3) The UNHCR Representation in Greece should: (i) designate a senior manager as a focal person for the accommodation scheme; (ii) establish and implement an action plan to strengthen controls over the accommodation scheme; and (iii) retroactively seek approval from the donor to use its earmarked Emergency Support to Integration and Accommodation funding to cover expenditure for the Government managed shelter project.**

UNHCR accepted recommendation 3 and stated that: (i) to address the issues highlighted in the audit, the Representative had designated the Senior Policy Adviser as a focal person for the accommodation scheme; (ii) the Senior Policy Adviser would coordinate the establishment and implementation of an action plan to strengthen controls over the accommodation scheme; and (iii) UNHCR had requested the donor to retroactively approve the use of earmarked funding to cover the expenditure on the shelter project. Recommendation 3 remains open pending receipt of evidence that: an action plan has been developed and implemented to address the control weaknesses identified during the audit and UNHCR has sought retroactive approval from the donor to use ESTIA funding.

D. Security from violence and exploitation

Internal coordination and controls over target setting, monitoring and reporting of programmes related to sexual and gender-based violence needed to be strengthened

28. The Representation's main objectives relating to sexual and gender-based violence (SGBV) were: (a) "Protection of children strengthened" which involved assisting the Government in developing policies, with 2018 expenditure and 2019 budget of \$8.5 million and \$8.2 million, respectively; and (b) "Risk of SGBV is reduced and quality of response improved" through the provision of psychosocial counselling with both 2018 expenditure and 2019 budget of \$1.1 million. In the area of SGBV, the Representation also contributed to legal support, awareness raising sessions and capacity building.

29. The Representation had implemented adequate procedures over security from violence and exploitation activities. However, in the Key Indicator Report for 2018, the Representation had set a target of 30 persons for the indicator "Number of reported SGBV incidents for which survivors receive psychosocial support", but reported that it had supported 557 persons and disbursed funds of \$2.4 million. For 2019, the Representation set a reduced target of 15 persons against a budget of \$1.8 million. The achievement reported at mid-year 2019 was recorded as 9 persons. According to the Representation, these anomalies resulted as the targets established, and mid-year result for 2019, related to the number of persons that UNHCR expected to support directly, whereas the year-end result for 2018 and financial resources allocated related to those persons also assisted by UNHCR partners. In OIOS' view, weak internal coordination in the Representation, in particular between protection and programme personnel, contributed to the anomalies, as target setting, monitoring and reporting should have been conducted jointly by them.

- (4) The UNHCR Representation in Greece should strengthen internal coordination and controls to ensure proper target setting, monitoring and reporting of programmes related to sexual and gender-based violence.**

UNHCR accepted recommendation 4 and stated that the Representation had corrected the identified error and enhanced coordination around target setting, monitoring and reporting for the programmes in general and specifically for SGBV. Recommendation 4 remains open pending receipt of evidence

of strengthened coordination to ensure proper target setting, monitoring and reporting of SGBV programmes.

E. Cash-based interventions

There was a need to systematically check the accuracy of data entry related to cash assistance in proGres

30. The Representation had provided cash assistance to PoCs since 2017. For 2018, expenditures related to CBI totaled \$69.1 million and for 2019, the Representation budgeted \$76.0 million. As of 31 August 2019, the number of PoCs assisted was 74,349 (37,325 households). In 2019 (until the end of August), the average monthly payment per household was \$227.

31. The overall design of the CBI programme was determined by the Government in consultation with the Representation and a donor. All asylum seekers with a valid asylum seeker certificate were eligible for CBI. PoCs holding temporary documents, such as a police note or temporary asylum certificate (TAC), and recognized refugees were also eligible for a grace period, the duration of which depended on the type of document/status held. The level of cash assistance was determined by the Government based on a minimum expenditure basket, depending on the size of family and the type of accommodation, i.e., whether catered or non-catered. The cash assistance was distributed monthly via a financial service provider using prepaid cards.

32. The cash assistance programme was implemented directly by the Representation, except for urgent cases. The Representation had also developed SOPs for CBI, which were initially drafted in December 2017 and cleared by UNHCR headquarters in January 2019. These SOPs; however, did not include eligibility criteria, the amount payable to beneficiaries and the period of payments. The SOPs were also not updated in February 2019, when the Government issued a ministerial decision announcing new criteria. Finally, numerous other operating procedures and guidelines for enrolment and verification of PoCs and data collection for post-distribution monitoring were not attached to or listed in the SOPs. Whilst the audit was still in progress, the Representation took corrective measures in this regard.

33. Review of the Representation's CBI process identified areas for improvement, as follows:

- A total of \$21,919 was paid to 130 households in August 2019 (the sample month selected by OIOS for detailed testing) without a positive monthly verification result (i.e., a record in proGres confirming that their legal documents had been verified), which was a condition for payment. Also, in August 2019, the Representation had verified that 1,596 PoCs held a police note or TAC and therefore were eligible for cash assistance, but proGres contained the dates of the grace period for only 446 PoCs.
- In 2019, 376 households holding only a police note and/or TAC received cash assistance for periods exceeding the respective grace periods, totalling \$107,979.
- Since January 2018, of 292 beneficiaries with a "not of concern" legal status in proGres, 185 received cash assistance totalling \$197,302 after their refugee status had been rejected and their legal status had been changed to "not of concern". In such cases, cash assistance should have been terminated immediately.
- The legal status of 150 PoCs was recorded as "asylum seekers" in proGres, while they held residence permits indicating their legal status as recognized refugees.

- The name of the person who performed the verification was not recorded in proGres; therefore, OIOS could not ascertain whether adequate controls were in place to rotate those responsible for performing verification to mitigate risk of fraud.

34. Furthermore, although the reliability of data in proGres related to PoCs' enrolment and legal status was critical for the monthly verification process and thus for preparing beneficiary lists for cash delivery, the Representation only reviewed one partner's actual implementation of the monthly verification control, and that was one year after the partner had started enrolling and verifying beneficiaries. Therefore, the Representation's monitoring was insufficient.

35. As the CBI programme was highly complex, OIOS was of the view that the Representation should have ensured that its quality assurance controls over data entry remain robust at all times.

(5) The UNHCR Representation in Greece should enhance monitoring of cash assistance provided by partners and systematically check the accuracy of data entry related to cash assistance, in particular the legal status of beneficiaries during enrolment and verification.

UNHCR accepted recommendation 5 and stated that monitoring reports related to the enrolment and monthly verification of PoCs in proGres would be provided, including evidence of frequent rotation of persons performing verifications. The Representation had reviewed and enhanced processes and checks to ensure accuracy of proGres data during enrolment and verification. Recommendation 5 remains open pending receipt of: (i) monitoring reports related to the enrolment and monthly verification of PoCs in proGres; (ii) evidence that there is frequent rotation of persons performing the verifications, and (iii) reports generated from proGres demonstrating the accuracy of data entry.

IV. ACKNOWLEDGEMENT

36. 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
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Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical¹/ Important²	C/ O³	Actions needed to close recommendation	Implementation date⁴
1	The UNHCR Representation in Greece should improve its oversight and monitoring of partnership management by: (i) ensuring the timely preparation of project partnership agreements; (ii) conducting adequate due diligence before delegating procurement to partners; and (iii) enhancing financial and performance monitoring of projects.	Important	O	Receipt of evidence of the timely preparation of risk-based project monitoring plans and their implementation.	30 September 2020
2	The UNHCR Representation in Greece should strengthen management supervision over procurement to ensure that: (i) procurement plans are developed according to identified needs; and (ii) rules and procedures on procurement are adhered to.	Important	C	Action completed	Implemented
3	The UNHCR Representation in Greece should: (i) designate a senior manager as a focal person for the accommodation scheme; (ii) establish and implement an action plan to strengthen controls over the accommodation scheme; and (iii) retroactively seek approval from the donor to use its earmarked Emergency Support to Integration and Accommodation funding to cover expenditure for the Government managed shelter project.	Important	O	Receipt of evidence that: an action plan has been developed and implemented to address the control weaknesses identified during the audit and UNHCR has sought retroactive approval from the donor to use ESTIA funding.	30 September 2020
4	The UNHCR Representation in Greece should strengthen internal coordination and controls to ensure proper target setting, monitoring and reporting of programmes related to sexual and gender-based violence.	Important	O	Receipt of evidence of strengthened coordination to ensure proper target setting, monitoring and reporting of SGBV programmes.	30 September 2020

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

³ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁴ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Greece 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
5	The UNHCR Representation in Greece should enhance monitoring of cash assistance provided by partners and systematically check the accuracy of data entry related to cash assistance, in particular the legal status of beneficiaries during enrolment and verification.	Important	O	Receipt of: (i) monitoring reports related to the enrolment and monthly verification of PoCs in proGres; (ii) evidence that there is frequent rotation of persons performing the verifications, and (iii) reports generated from proGres demonstrating the accuracy of data entry.	30 September 2020

APPENDIX I

Management Response

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
					(iii) (a) 30 September 2020	<p>c. The final Decision to Entrust UNHCR-funded procurement to partner – were undertaken per partner in the January 2020 and to be updated with Amendments.</p> <p>(iii) (a) With regards to enhancing performance monitoring, the UNHCR Representation in Greece is enhancing capacity building of its Multi-Functional Team Staff members through dedicated training on Risk Management and Project monitoring. The trainings were planned for earlier in the year but were implemented in June 2020, due to the COVID-19 Situation. As an outcome of this, Terms of Reference will be developed and signed off by the Representative to define the work of the project monitoring teams designated to conduct monitoring of partner projects. Due to COVID – 19 Situation, monitoring activities were postponed for the period March to June 2020 and are now resuming. An overall tracking table for performance monitoring will also be followed-up by a focal point in Programme, enhancing consistency across the Country Office, Sub-Offices and Field-Offices, and better aligning risk level of Partnership agreements with frequency of monitoring.</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
					(iii) (b) Implemented	<p>The TORs of the MFT, evidence of training, and the monitoring tracking table will be shared by 30 September 2020.</p> <p>(iii) (b) On-site financial verification exercises have been conducted for all 2019 PPAs, in accordance with the Annual Risk based Verification Plan.</p> <p>The Representation's Project Control Unit [PCU] has ensured that all of the Partners in 2019 (36) were visited on site, at least once and all PPAs (40) were verified (93 verification activities were planned and conducted for the budget year 2019, from April 2019 until April 2020).</p> <p>Moreover, the Representation's Project Control Unit [PCU] has developed and has been implementing a risk based Verification Plan for the budget year 2020, ensuring that all of the Partners except for UNICEF will be visited at least once during the year and all PPAs will be verified based on the risk based approach (76 verification activities planned).</p> <p>Due to the emergency Covid-19 situation and the recent clarification received from the UNHCR Headquarters that the mid-year and end-year Verification activities and Reports are mandatory, as per the</p>

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						provisions of the Administrative Instruction “UNHCR-AI-2019-9 Detailed Planning and Budgeting for 2020”, the Representation’s Project Control Unit [PCU] has recently revised the Annual Verification plan accordingly in order to accommodate the new data. As a result, the 10 verification activities that were planned to be done on - site for Q1 2020, were eventually done remotely due to the Covid-19 restrictions and the detailed comments/ results will be reflected in the Verification Reports to be prepared following the mid-year submission (the PMC03 Reports will include the sample that has been reviewed for Q1 and the additional sample to be selected for Q2 2020).
2	The UNHCR Representation in Greece should strengthen management supervision over procurement to ensure that: (i) procurement plans are developed according to identified needs; and (ii) rules and procedures on procurement are adhered to.	Important	Yes	Snr. Supply Officer	(i) Implemented (ii) Implemented	(i) The operation has finalized a comprehensive procurement plan covering both programme and administrative budgets for 2020. (ii) The operation has presented the case to the HCC and it has taken note of the matter.
3	The UNHCR Representation in Greece should: (i) designate a senior manager as a focal person for the accommodation scheme; (ii) establish and implement an action plan to strengthen controls over the accommodation scheme; and (iii) retroactively seek approval from the donor to use its earmarked Emergency Support to Integration and Accommodation funding to	Important	Yes	Senior Policy Adviser	(i) Implemented (ii) 30 September 2020	(i) To address the issues as highlighted in the audit, the Representative has designated the Senior Policy Adviser, as a focal person for the accommodation scheme inter alia. (ii) The Snr Policy Adviser shall coordinate the establishment and

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	cover expenditure for the Government managed shelter project.				(iii) Implemented	<p>implementation of an action plan to strengthen controls over the accommodation scheme.</p> <p>Progress towards closing this recommendation, is already underway.</p> <p>(iii) UNHCR has requested the donor to retroactively approve the use of earmarked funding to cover the expenditure of the four respective shelters.</p>
4	The UNHCR Representation in Greece should strengthen internal coordination and controls over target setting, monitoring and reporting of programmes related to sexual and gender-based violence.	Important	Yes	Snr. Community- Based Protection Officer and Snr. Programme Officer	31 July 2020	<p>During the 2019 year-end Reporting, the Operation corrected the error identified in the draft audit report. In addition, in consultation with the Bureau, the Operation proceeded with aligning the targets (OL/OP) in cases where adjustments were not made during the implementation year to reflect OL increases and other adjustments in implementation.</p> <p>With respect to target setting, monitoring and reporting of indicators for programmes (all objectives), and to address OIOS recommendation, UNHCR has refined the indicator collection monitoring tool and reporting process for the purposes of Planning and Reporting.</p> <p>The operation has enhanced coordination around target setting,</p>

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						<p>monitoring and reporting overall for the programmes and specifically for SGBV. As further agreed, a dedicated meeting is to be held in July 2020 between Protection and Programme, (including target setting validation in view of OL increases and Mid-Year reporting) during the MYR consolidation in July 2020.</p> <p>In addition to quarterly and/or mid-year monitoring, the operation has introduced field-based monitoring of SGBV Prevention activities, introducing a new template for monitoring of prevention activities.</p>
5	The UNHCR Representation in Greece should enhance monitoring of cash assistance provided by partners and systematically check the accuracy of data entry related to cash assistance, in particular the legal status of beneficiaries during enrolment and verification.	Important	Yes	Snr. Inter-Agency Coordinator	<p>(i) 30 September 2020</p> <p>(ii) 30 September 2020</p> <p>(iii) Implemented</p>	<p>i) Monitoring reports related to the enrolment and monthly verification of POCs in proGres will be made available by or before 30 September 2020.</p> <p>ii) Frequent rotation of persons performing verifications is in progress, and full evidence will be made available. In line with this issue, UNHCR has also carried out dedicated trainings of MFT staff members on Risk Management and Project Monitoring.</p> <p>iii) Reports indicating improvements in proGres data: the operation has reviewed and enhanced processes and checks being conducted to ensure accuracy of data during enrolment</p>

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						<p>and verification. The Operation considers that these reports address this component of the recommendation. Also to note, the data-sharing agreement (DSA) with the Greek Asylum Service/ Ministry of Migration and Asylum, among other objectives, serves also to enhance the systematic check of accuracy of data entries related to cash assistance, in particular the legal status of beneficiaries.</p>