



## **INTERNAL AUDIT DIVISION**

### **REPORT 2020/030**

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#### **Audit of the operations in Mozambique for the Office of the United Nations High Commissioner for Refugees**

**There was a need to strengthen the  
Representation's capacity to oversee  
programme implementation to ensure persons  
of concern receive quality services**

**23 September 2020  
Assignment No. AR2020-113-01**

# **Audit of the operations in Mozambique 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 Mozambique for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the Representation was managing the delivery of services to its persons of concern (PoCs) in a cost-effective manner and in accordance 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 October 2018 to 31 December 2019 and included a review of: (a) planning, resource allocation, monitoring and reporting; (b) emergency preparedness and response; (c) fair protection process and documentation; and (d) livelihoods activities.

The increasing number of PoC needs without commensurate funding called for robust strategic and operational planning to ensure proper prioritization of needs and allocation of limited resources. The Representation's limited preparedness for the emergency as well as UNHCR's inadequate guidance regarding displacements caused by natural disasters impacted its ability to respond to Cyclone Idai with urgency, speed and nimbleness. The Representation also needed to address weaknesses in its programme delivery, and central to this was the need to strengthen the Representation's organizational setting, especially staffing, as a key driver to ensuring a sound control environment.

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

- Review the Representation's organigram to clarify delegated responsibilities and reinforce accountability mechanisms as well as enhance its identification and mitigation of risks;
- Reinforce the strategic and operational planning processes in the Representation;
- Develop guidance related to its involvement in displacements caused by natural disasters;
- Strengthen its emergency preparedness to ensure that its response to future influxes in Mozambique is delivered in a cost-effective manner;
- Support the Government partner to address identified weaknesses related to reception conditions, documentation, refugee status determination and registration data management; and
- Develop a strategy to drive the implementation of livelihoods programme activities.

UNHCR accepted the recommendations and has initiated action to implement them.

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# **Audit of the operations in Mozambique 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 Mozambique for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The UNHCR Representation in Mozambique (hereinafter referred to as ‘the Representation’) was established in 1975 to provide refugees, asylum seekers and other persons of concern (PoCs) with international protection and humanitarian assistance. As at 28 January 2020, the Representation was assisting 206,297 refugees, asylum seekers and internally displaced persons (IDPs). Of this number, 25,781 were refugees and asylum seekers, primarily from the Democratic Republic of the Congo (9,730), Burundi (8,433), Rwanda (3,666) and Somalia (3,406). Thirty-three per cent of this population resided in the Maratane Camp in Nampula.
3. UNHCR declared a Level 3 (L3) emergency on 28 March 2019 following the Category 2 Tropical Cyclone Idai that struck Mozambique on 14 March 2019. It was estimated that the cyclone displaced over 146,000 persons, who sought refuge in temporary accommodation centres across the provinces of Sofala, Manica, Zambezia and Tete. Tropical Cyclone Kenneth (category 4) made landfall on 25 April 2019 affecting about 286,000 people in the Cabo Delgado province, but UNHCR opted not to respond to the resultant displacements. At the time of the audit fieldwork, as the Representation was working towards ending the Cyclone Idai emergency, a Level 1 emergency was declared in Cabo Delgado due to brutal attacks by armed groups in the north of the country. It resulted in the displacement of at least 100,000 people throughout the province.
4. The Representation was headed by a Representative at the P-5 level and it had 18 regular staff and 14 affiliate staff. It had a Country Office in Maputo, one Field Office in Nampula, and another Field Office in Beira. The office in Beira was scheduled for closure in May 2020. The Representation recorded total expenditure of \$3.8 million in 2018 and \$5.1 million in 2019. It worked with nine partners in 2018 and seven in 2019, who implemented about 53 per cent of the Representation’s programme related expenditures.
5. Comments provided by UNHCR are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

6. The objective of the audit was to assess whether the Representation was managing the delivery of services to its PoCs in a cost-effective manner and in accordance with UNHCR’s policy requirements, with due regard to the risks that it was exposed to in the context in which it was operating.
7. This audit was included in the 2020 risk-based work plan of OIOS due to the risks associated with UNHCR’s response to the Cyclone Idai emergency.
8. OIOS conducted this audit from February to May 2020. The audit covered the period from 1 October 2018 to 31 December 2019. Based on an activity-level risk assessment, the audit covered the following higher risk areas: (a) planning, resource allocation, monitoring and reporting; (b) emergency preparedness and response; (c) fair protection process and documentation; and (d) livelihoods activities. Through review of the above-mentioned areas, OIOS also drew overall conclusions about the control environment and the effectiveness of enterprise risk management in the Representation.

9. The audit methodology included: (a) interviews with key personnel, (b) a 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, performance data from Focus, the UNHCR results-based management system and data of PoCs from proGres, the UNHCR enterprise registration and case management tool; (d) sample testing of controls using both systematic and random sampling methods; (e) visits to the Representation's Country Office in Maputo, Field Office in Beira, and the offices of three partners implementing UNHCR projects; and (f) meetings with external stakeholders including other United Nations agencies in Mozambique and key donors.

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

### **III. AUDIT RESULTS**

#### **A. Risk management and control environment**

##### The Representation needed to strengthen its control environment and ensure risks are effectively mitigated

11. Mozambique is one of the poorest and most underdeveloped countries in the world, with a human development index ranking of 180<sup>th</sup> out of 189 countries and territories. Mozambique is also extremely susceptible to climate shocks, with the country frequently facing cyclical droughts and flooding in past years, including the two major cyclones that happened in 2019. These have not only compounded the high poverty levels but also increased vulnerability across most of the country. The insecurity especially in the northern part of the country also created displacements and increased protection risks, e.g. child protection issues, sexual and gender-based violence, and loss of personal documentation.

12. The main challenges faced by the Representation was its lack of sufficiently skilled staff to deal with the complexity of the operations in Mozambique, which had been increasing in recent years. The Representation stated it had been unable to attract and retain suitably qualified personnel in key functions and there was a high staff turnover. Although the vacancy rate was low at the time of the audit, vacant positions were not being filled in a timely manner. The Representation had identified in its register the risk of inadequate staff capacity (level, number and profile) but proposed actions were still in progress at the time of the audit.

13. The Representation had reviewed its organigram and made a request for the key positions it considered necessary to implement its strategic priorities and to strengthen its oversight over programme implementation. These positions included project control, programme officer, protection officer, livelihoods officer and refugee status determination (RSD) officer positions. However, the positions were not approved by the then Regional Office for Southern Africa and this, as also demonstrated by the issues raised in this audit, negatively impacted the Representation's ability to deliver quality services to PoCs. For example, the absence of an in-country project control position meant that partner verifications were conducted primarily by desk review and were limited in coverage and depth. Consequently, risks and challenges to programme implementation were not identified for rectification in a timely manner.

14. The Representation also had several challenges in managing its supply function. It had only one supply assistant at the GS-4 level responsible for procurement for the whole country operation worth \$1 million. The supply assistant was also responsible for distribution of core relief items (CRIs) during the emergency. The shortage of staff resulted in non-supply staff taking on supply management roles, many of which were not appropriately segregated and were inadequately supervised. Some of the procurement

issues raised in this audit were directly related to inadequate supply capacity and lack of oversight by management.

15. The Representation's risk register was updated in March 2020 following a visit by a Senior Risk and Compliance Advisor from the Enterprise Risk Management Unit at UNHCR headquarters. The number of risks was reduced from 31 to 18 and the updated register adequately reflected the pertinent risks in the operation. However, the information contained in the Representation's internal documents contradicted the ratings of some key operational risks. For example, the uncertainty with budget constraints and risks in supply and procurement management were rated as medium risk despite several documents stating otherwise. Additionally, proposed actions in some cases were inadequate to mitigate identified high risks, and some risks lacked owners and deadlines to ensure timely implementation of proposed mitigation actions. Consequently, risks assessed as high/very high likelihood and with major impact remained unmitigated yet set deadlines had passed.

16. The issues related to the Representation's control environment needed to be addressed, to strengthen its ability to operate in a more cost-effective manner and adequately safeguard its assets. A more robust integration of risk management into the wider management processes was, in the opinion of OIOS, an essential step to limit exposure of the Representation to the financial, operational and reputational risks that OIOS noted during the audit and outlined in the thematic sections below.

**(1) The UNHCR Representation in Mozambique, in collaboration with the Regional Bureau for Southern Africa, should: (i) review its organigram to ensure that it is structured appropriately and reinforces accountability mechanisms and the control environment; and (ii) develop an action plan to strengthen its processes to effectively mitigate risks that impede the achievement of its strategic objectives.**

*UNHCR accepted recommendation 1 and stated that: (i) activities were under underway to address this recommendation in coordination with the Regional Bureau for Southern Africa (RBSA). A list of additional positions required to ensure a proper structure and an improved control environment was finalized with key positions such as the Senior Protection Officer recruited. However, actual improvement to staffing structures would be subject to the availability of funding; (ii) staff would undertake risk related training and a risk focal point and back-up were in place. Recommendation 1 remains open pending receipt of evidence of: (i) a joint review of the existing organigram and staffing structure by the Representation and the RBSA; and (ii) a plan detailing actions to ensure that the risk register remains up to date and is mainstreamed as part of planning and decision making.*

## **B. Planning and resource allocation**

### The Representation needed to strengthen its strategic and operational planning processes

17. The Representation used the Age, Gender and Diversity approach that brought together Governments, partners, other stakeholders and PoCs to identify needs. However, the Representation had not conducted a needs assessment since April 2018 because it lacked the requisite capacity and funding. The last needs assessment (2018) also primarily targeted refugees and asylum seekers in Maratane Refugee Camp (representing 33 per cent of PoC numbers), with very limited consideration given to urban PoCs. This inhibited the Representation's understanding of their protection risks and its ability to respond to them accordingly. Also, intended benefits of the 2018 needs assessment were not realized, because the resulting recommendations were not implemented. Issues identified, like the lack of identification cards and backlogs in RSD processes, remained unaddressed for long periods of time.

18. The Representation did not have up to date data to support its strategic and annual planning process. It supported the Government to verify its PoC numbers as part of the biometric registration exercise, a process that started in 2018 but remained incomplete by the time of the audit. This delay was attributed to inaccessibility of three provinces initially due to seasonal rains and more recently the COVID-19 pandemic. The non-inclusion of data from the three provinces meant that the data may not be credible to inform decision making, especially regarding prioritisation of protection interventions, development of strategies and as a basis for fundraising from donors.

19. As part of its strategic planning processes, the Representation did not prepare a multi-year, multi-partner protection and solutions strategy (MYMPPSS) meant to rally stakeholders, including the Government in detailing a longer-term vision to resolve PoC challenges in a sustainable manner. While the preparation of the MYMPPSS was not mandatory during the period under audit, it became mandatory subsequently. The MYMPPSS would have helped the Representation in finding lasting solutions to long outstanding PoC issues. One such issue related to finding durable solutions for PoCs given that voluntary repatriation was not feasible for many, the resettlement quota was cut to zero in 2020, and the limited progress in locally integrating them. There was also limited progress in the implementation of the Comprehensive Refugee Response Framework which was key to integrating PoCs into national systems. This was important since protracted caseloads receive less funding over time.

20. The Representation did not have a country protection strategy. The regional protection strategy that could have provided strategic direction did not address issues that were unique to Mozambique and had also expired in 2019. Additionally, the Representation did not have key operational strategies for some key sectors, e.g. reintegration, education and health. Operational strategies were critical in setting priorities amongst many PoC needs in a resource constrained environment and for ensuring that services were delivered to PoCs in a cost-effective manner.

21. The Representation's \$5.1 million expenditures in 2019 represented 67 per cent of the required funding to meet PoC needs. While there was a modest growth in funds every year, this was overtaken by the gap between the budget and funds provided. The late provision of funding impacted the timely delivery of services e.g. funding for durable solution activities in 2018 was only received in October. Additionally, the Representation's spending of 45 per cent in the audit period on staff and administrative costs significantly lowered funds available for programme implementation, impacting not only access to, but also the quality of services provided to PoCs. Moreover, the allocation of resources, as the primary signal for prioritization, was not fully aligned to the Representation's strategic objectives. For instance, the Representation allocated only 13 per cent of the programme budget to areas listed as of strategic importance. Proposed actions to mitigate resource related risks in the register were not implemented within the target dates.

22. Weaknesses identified in the Representation's performance framework meant that it lacked quality performance data to measure the impact of its programmes on the lives of PoCs. At the time of the audit, the Representation's performance framework in Focus for 2019 had not been completed. The 2018 Focus report was also incomplete, with the mid and year end results not completed for some key programme indicators. Some performance targets were not met, yet the associated budgets had been exhausted. The Representation attributed its failure to meet targets to fluctuations in the Mozambican currency against the United States Dollar. However, in OIOS' view, targets should have been revised to reflect the operational context.

23. The Representation needed to strengthen its strategic and operational planning. If the issues raised above are not addressed and if limited funding is spent on non-priority areas, the Representation may not achieve its strategic objectives and ensure refugee access to required protection.

- (2) The UNHCR Representation in the Mozambique, in coordination with the Bureau for Southern Africa, should strengthen its strategic and operational planning to ensure proper prioritization of needs and allocation of limited resources, as well as cost-effective programme implementation.**

*UNHCR accepted recommendation 2 and stated that the UNHCR Representation in Mozambique would work with the RBSA to align the Mozambique programme to the Regional Strategic Directions 2020-2022, establish sectoral strategies as required and reinforce management oversight of its activities which would be reflected in Focus. Recommendation 2 remains open pending receipt of evidence of: (i) the approved MYMPPSS, and country protection, public health and education strategies; (ii) a plan for addressing weaknesses in provision of accurate Focus data; and (iii) completion of the data verification exercise.*

### **C. Emergency preparedness and response**

Guidance was needed on UNHCR's role in preparing and responding to displacements caused by natural disasters

24. Idai was reported as being the deadliest storm to hit Africa and thus had more fatalities than Kenneth. Kenneth, on the other hand, was the strongest cyclone to ever make landfall in Africa and it had more devastating effects with 286,282 people displaced compared to 140,000 under Idai. However, UNHCR, at the time, lacked corporate guidance on decision making regarding its involvement - and if so, what role to play regarding preparedness and response - in displacements caused by natural disasters. Without such guidance, the basis against which UNHCR decided not to respond to the subsequent Cyclone Kenneth remained unclear and raised a reputational risk for the organization. To address this, the terms of reference of Emergency Response Team (ERT) deployees were up-dated to provide some guidance on what was expected of UNHCR during such a crisis.

#### **Emergency preparedness and response**

25. The lack of guidance resulted in the Representation only participating in the Idai response once a corporate decision was reached to join the system-wide emergency. The delayed decision by the Representation to engage, meant that it was not involved in the country's inter-agency humanitarian risk assessments and emergency preparedness measures. Its absence from these key processes also came at the cost of reduced visibility and funding. For example, another agency assumed leadership of the protection cluster until UNHCR joined the response, and thus, the Representation received only \$100,000 out of the \$700,000 protection budget provided from the \$14 million Central Emergency Response Fund for Idai.

26. Moreover, contrary to UNHCR's guidelines for IDP situations, the Representation did not undertake a risk analysis and other preparedness measures to drive organizational preparedness and emergency declarations. The Representation's proposed mitigation measures for the risk related to 'inadequate emergency preparedness and response for IDPs in conflict and natural disasters' in its register had not been implemented at the time of the audit. The Senior Emergency Coordinators emphasized in their handover notes the need for countries like Mozambique that were prone to natural disasters to have preparedness plans. The lack of preparedness affected the Representation's ability to mobilize necessary support from the Regional Office and to respond to Idai related displacements with urgency, speed and nimbleness as discussed below.



27. In accordance with UNHCR's guidelines for IDPs issued in September 2019, the Representation's engagement was supposed to be time-limited, i.e. six months, but it continued for over a year (until May 2020). This was attributed to the lack of structures and systems to carry on after the Representation scaled down. Per the terms of reference to ERT deployees, the Representation's role was coordinating protection cluster activities, but it ended up having a greater involvement in implementation than envisaged. This was because of the limited number of partners providing protection services and inadequate Government partner capacity.

28. Core relief items (CRIs): The Representation mobilized CRIs worth \$250,000 for distribution during the Idai response. The airlifted CRIs arrived in the country before storage and distribution arrangements were established. Thus, only 40 per cent of those items were distributed in the first three months. Also, additional CRIs arrived by land before the initial stock received was distributed, and this not only increased storage costs but also raised questions on whether the expensive airlifting of so many CRIs was necessary.

29. The Representation's initial plans to hand over CRIs to the Government for distribution changed, and it engaged a partner to ensure proper accountability and visibility for UNHCR. However, the arrangement was ineffective, as both the Representation and the partner lacked records to properly account for CRIs distributed between April and June 2019. The partner also did not prepare reconciliations of amounts received, distributed and balances held in warehouses and lacked lists to evidence distribution of 15,187 CRIs. There were also discrepancies between quantities of CRIs reported as dispatched in MSRP and what was received by the partner for the period July to December 2019.

30. The Representation did not conduct real time and post distribution monitoring and could therefore not conclude on the effectiveness of assistance provided to PoCs. Internal documents highlighted numerous complaints raised by PoCs about the partner having been compromised into selecting beneficiaries that did not meet the set criteria. This was attributed, amongst other things, to the lack of standard operating procedures (SOPs) to guide the distribution process. The Representation only issued comprehensive SOPs in September 2019 by which time, most of the CRIs distribution had taken place.

31. Protection mainstreaming and monitoring: The Representation spearheaded the preparation of a six-month strategy (March to August 2019), albeit late, and developed a checklist to support the mainstreaming protection into the humanitarian response. Despite facilitation from the Representation, partners did not systematically collect information on protection incidents, and this hindered its access to accurate information. The Representation was also not always able to access available information due to the lack of data-sharing agreements with other agencies. Periodic reports flagged the same protection issues thereby raising questions on the effectiveness of the cluster in addressing problems. The Government deactivation of the emergency three months after the displacement had implications for PoCs staying in temporary sites e.g. more than half a million people at the time were still living in structurally damaged homes and another 70,000 people in emergency accommodation.

### **Coordination and supervision**

32. Staffing: Cyclone Idai struck at a time when the Representation had very limited staff capacity e.g. in protection, supply and external relations, which impacted its ability to mobilize and respond rapidly, reliably and effectively. The limited local staff capacity situation was further complicated by the fact that UNHCR only established an office in Beira, the epicentre of Idai, when the response was already ongoing. Even then, several ERT deployees highlighted the Field Office's limited capacity to support the response effectively and the inadequate backstopping by the Country Office in Maputo. Consequently, the response was conducted exclusively by the ERT deployees who had limited knowledge of the operational context, could not speak the official language, Portuguese, and some of whom arrived late.

33. The fact that the Representation was smaller both in terms of number of staff and their seniority compared to ERT deployees resulted in communication challenges. The ERT deployees stated that they did not get strategic information and direction from the Country Office, which necessitated circumvention of laid down structures and direct collaboration with UNHCR headquarters. The limited involvement of the Representation's staff was a missed opportunity to build ownership and continuity in the response. OIOS found that the Representation lacked knowledge and documentation on the emergency response. As ERT staff only stayed for 2-3 months, deployee rotations inadvertently affected continuity and effectiveness of the response. ERT staff prepared handover notes prior to leaving the country but there was limited evidence that the recommendations made were implemented.

34. UNHCR support to the emergency: In line with the emergency policy, the Regional Office for Southern Africa and the Division of Emergency, Security and Supply (DESS) conducted a Joint Senior Level Mission within two weeks of declaring the emergency and provided recommendations aimed at strengthening the response. However, a real-time review that should have been conducted after three months to assess the timeliness, appropriateness and effectiveness of UNHCR's operational response did not happen. Instead, the newly established RBSA reviewed the response and developed a lesson learned paper in January 2020. The Representation was implementing actions from the lessons learned paper to strengthen its preparedness.

35. The Representation attributed the weaknesses in its emergency preparedness and response to inadequate resources and capacity. OIOS was of the view that the gaps could have been minimized by more guidance from UNHCR, better planning and more robust monitoring by management, including from the then-Regional Office and headquarters.

**(3) The Division of Emergency, Security and Supply should develop guidance related to when UNHCR will engage and what role country operations will have in preparing for and responding to displacements from natural disasters.**

*UNHCR accepted recommendation 3 and stated that an internal DESS workplan provided for the preparation of the relevant policy guidance. Recommendation 3 remains open pending receipt of corporate guidance to countries on when and how to respond to humanitarian crises caused by natural disasters.*

**(4) The UNHCR Representation in Mozambique, in collaboration with the Regional Bureau for Southern Africa, should strengthen its capacity to conduct risk analyses and use these to proactively anticipate and strengthen its emergency preparedness in order to be able to respond to future influxes effectively.**

*UNHCR accepted recommendation 4 and stated that, given the size of the operation, the strengthening of emergency preparedness would have to be done with substantial external support (from the RBSA, other field operations and Headquarters Divisions). Emergency Preparedness training was planned jointly by DESS/RBSA in the first quarter of 2020; however, this was postponed due to COVID-19. The RBSA's Senior Risk Management and Compliance Advisor was supporting the country operations to conduct strategic risk analyses across the region and to use them to prepare to respond effectively to future influxes. Recommendation 4 remains open pending receipt of: (i) risk analyses regarding possible displacements; (ii) minimum and advanced preparedness plans; and (iii) scenario based contingency plans.*

## **D. Fair protection process and documentation**

### There was a need to strengthen controls over fair protection process and documentation

36. The Representation spent \$156,856 and \$255,038 on fair protection processes and provision of documents to PoCs in 2018 and 2019 respectively. The Representation's limited funding impacted its programme delivery. For instance, due to lack of funds to transport asylum seekers from the reception center in Nampula to Maratane Camp, PoCs had to find their own way.

37. The Representation funded the Government partner's issuance of identification documents (ID) to PoCs at no cost. However, from August 2019, the Government partner was unable to print IDs due to a shortage of printing supplies with requests to the Representation from as far back as May 2019 not fulfilled. The Representation attributed this to a lack of funding. As a result, the partner's stock of IDs at the time of the audit was inadequate to cover the ID backlog and new applicants. This created protection risks as PoCs were being arrested for not having IDs or holding expired ones. Children also ran the risk of missing school as primary schools required IDs to enroll students.

38. To address this problem, the Representation had procured papers with watermarks and serial numbers for printing provisional IDs for asylum seekers upon their arrival. However, the Government partner was still unable to issue the provisional IDs because of challenges with uploading the digital signature of the new national director into the system. Consequently, the partner opted to design and issue provisional movement letters valid for 15 days on plain papers without any security features or photograph. This increased the risk of forgery of such documents and, due to the limited validity period, resulted in additional administrative procedures and costs.

39. Additionally, the registration SOPs issued to the partner did not cover the printing, issuance, storage and disposal of cancelled IDs. IDs are legal documents and need to be properly controlled to ensure they do not fall into the wrong hands and be used to misappropriate benefits intended for refugees and asylum seekers, e.g. for non-payment for visas and taxes. The partner also lacked a system for recording serial numbers and reconciling the quantity received, used and balance in hand of the secure papers for accountability purposes.

40. Related issues noted during the audit included: (i) discrepancies between the verified number of PoCs and issued IDs. The number of biometrically verified PoCs (with three provinces still outstanding) was 24,367 but the number of valid IDs issued according to ProGres reports was 33,918; (ii) there were 10,225 duplicate IDs issued, i.e. PoCs with more than one ID card, which translated to 30 per cent of all valid cards. The high number of duplicates was attributed to errors made by staff in issuing cards e.g. the misspelling of PoC names; and (iii) the partner had no controls to ensure that all issued duplicate cards were returned and destroyed. Some 150 duplicate cards that had been returned were kept in an open office cabinet with no records for accountability and no procedures for their disposal. The duplicate printing also resulted in wastage of printing materials and supplies at a time when there was scarcity.

41. The Government partner was conducting RSD eligibility interviews on a continuous basis but the inter-ministry eligibility committee that approved recommendations from the Government partner had not met since 2017. Also, approved cases by the committee had not been signed off by the Minister of Interior since 2011. Consequently, some 9,000 asylum seekers had not been interviewed by the eligibility committee and over 12,000 were awaiting the Minister's approval. The backlog in RSD decisions meant that asylum seekers were constrained from attaining durable legal status which exposed them to legal protection risks. It also affected their access to services, e.g. students could not be considered for African Union refugee scholarships.

42. The issues cited above primarily fell within the ambit of the Government partner's mandate, with the Representation mainly playing a catalytic role through the provision of materials and technical support, in addition to its oversight functions. The Representation's capacity issues played a key role in the inadequate oversight over activities carried out by the partner and the limited advocacy on the status of refugees. The Representation in its risk register attributed the issues to limited Government partner capacity as well as low staff motivation and high turnover and also flagged its limited capacity to supervise and monitor related activities. It also listed a risk related to inadequate monitoring and quality data in the registration database in the risk register. However, in all instances, proposed actions were still work in progress; hence, the Representation remained exposed to these risks.

**(5) The UNHCR Representation in Mozambique, with support from the Regional Bureau for Southern Africa, should develop and implement an action plan to resolve the issues associated with the Government partner in relation to reception conditions, documentation, refugee status determination and registration data management.**

*UNHCR accepted recommendation 5 and stated that it would work with the Government partner to address issues identified including the development of SOPs and securing identity cards. It noted that RSD was fully within the ambit of the Government but committed to continue its advocacy to clear the backlog. Recommendation 5 remains open pending receipt of: (i) the revised SOPs addressing the issues related to the printing, issuance, storage, reconciliation, cancellation and disposal of cancelled IDs; and (ii) evidence of implementation of an action plan for resolution of the bottlenecks in the RSD process.*

## **E. Livelihoods**

There was a need for the Representation to strengthen controls over livelihoods activities

43. A major donor committed \$4.1 million in September 2016 towards a livelihoods and food security pilot project at Maratane Camp. The project had five sub-projects/components implemented over a three-year period by four United Nations agencies. The Representation implemented the non-agriculture component worth \$910,000 that covered training PoCs and host community, financing them to start self-sustaining businesses and supporting them to find employment. The delivery of livelihoods activities was guided by the agreement which was generally aligned to the UNHCR's Economic Inclusion.

44. In an initial fact-finding mission, in February 2016, the donor identified several impediments to livelihoods such as land ownership, security/peaceful co-existence between PoCs and the host community and marketing of their products. However, these issues were not addressed as part of the project and thus, became impediments to the timely and effective implementation of the project, as follows: (i) by February 2020 i.e. three months before the project expired, the Representation had only assisted 89 PoCs and 179 host community members out of the targeted number of 400 and 200 people respectively; (ii) despite the Government setting aside 2,000 hectares for refugee farming, delays in demarcating the land resulted in only nine families having been allocated land by February 2020. Thus only 10 PoCs were included in a farming sub-project against a target of 350; and (iii) the composition of the cohorts did not comply with the requirement to have equal gender representation. Cohorts 1 and 2 comprised of 28 and 45 per cent females respectively.

45. Gaps in the Representation's monitoring of project implementation, meant that inadequate progress in meeting targets was not identified and corrected in a timely manner. While the project was to end as of May 2020, it had not met the intended outputs. The Representation received a six month no cost extension to November 2020 but even with this, it was unlikely to meet set targets. The training was supposed to run

for 18 months, and thus the 164 PoCs of cohort 2 that commenced training in September 2019 would not complete the course by November 2020. This was the same case for the remaining 318 PoCs that had not been selected by February 2020. This raised questions about whether the project would create its desired impact, i.e. graduating 600 beneficiaries out of extreme poverty category into sustainable livelihood with increased food security and improved well-being.

46. The Representation's inability to meet targets was because of sub-optimal implementation arrangements. For instance, the Representation had a role to build the capacity of Government institutions to ensure sustainability after the project ended. However, the Representation used an implementing partner instead of the Government institution and, thus, did not achieve one of its core objectives. The Representation's decision to also use only one as opposed to the four recommended partners in the project work plan negatively impacted the project. The selected partner lacked technical capacity to deliver the training projects and therefore outsourced the activity to third parties, and they were also not monitored to ensure effective delivery of services.

47. The Representation also conducted a market assessment and a value chain analysis for the livelihood project but did not implement resultant recommendations. For example, it had with the assistance of a consultant identified private food processing companies to partner with, but this component was not incorporated in the sub-project. Three government institutions had also been identified to conduct tourism and hospitality training and support job placements for graduates, but the partner opted to work with different institutions. This and the failure to link PoCs that graduated to markets for the first cohort in May 2020 raised the risk that some beneficiaries would slide back to extreme poverty once the project ended.

48. The Representation attributed the issues highlighted above to its inability to hire the required livelihoods staff to oversee the project and therefore resorted to hiring international United Nations Volunteers on short term contracts. OIOS was of the view that the shortcomings were due to insufficient planning and management of the programme. For example, its livelihoods strategy had not been updated to reflect changes in the country context.

**(6) The UNHCR Representation in Mozambique, in coordination with the Regional Bureau for Southern Africa, should evaluate its livelihoods programme and use this information and the results of a market assessment to update its livelihoods strategy.**

*UNHCR accepted recommendation 6 and stated that the livelihoods strategy would be revised based on the results of the market assessment to be completed before the end of the year and the socio-economic analysis to be undertaken. Several data collection and evaluation exercises were planned to inform programming and strategy development. Recommendation 6 remains open pending receipt of the revised strategy based on the results of a market assessment and evaluation of the livelihoods programme.*

#### **IV. ACKNOWLEDGEMENT**

49. 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 operations in Mozambique for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	The UNHCR Representation in Mozambique, in collaboration with the Regional Bureau for Southern Africa, should: (i) review its organigram to ensure that it is structured appropriately and reinforces accountability mechanisms and the control environment; and (ii) develop an action plan to strengthen its processes to effectively mitigate risks that impede the achievement of its strategic objectives.	Important	O	Submission to OIOS of : (i) a joint review of the existing organigram and staffing structure by the Representation and the RBSA; and (ii) a plan detailing actions to ensure that the risk register remains up to date and that it is mainstreamed as part of planning and decision making.	20 December 2020
2	The UNHCR Representation in the Mozambique, in coordination with the Bureau for Southern Africa, should strengthen its strategic and operational planning to ensure proper prioritization of needs and allocation of limited resources, as well as cost-effective programme implementation.	Important	O	Submission to OIOS of: (i) the approved MYMPPSS, and country protection, public health and education strategies; (ii) a plan for addressing weaknesses in provision of accurate data through Focus; and (iii) completion of the data verification exercise.	31 March 2021
3	The Division of Emergency, Security and Supply should develop guidance related to when UNHCR will engage and what role country operations will have in preparing for and responding to displacements from natural disasters.	Important	O	Submission to OIOS of corporate guidance to countries on when and how to respond to humanitarian crises caused by natural disasters.	30 April 2021
4	The UNHCR Representation in Mozambique, in collaboration with the Regional Bureau for Southern Africa, should strengthen its capacity to conduct risk analyses and use these to proactively anticipate and strengthen its emergency preparedness in order to be able to respond to future influxes effectively.	Important	O	Submission to OIOS of: (i) risk analyses regarding possible displacements; (ii) minimum and advanced preparedness plans; and (iii) scenario based contingency plans.	31 March 2021

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Please note the value C denotes closed recommendations whereas O refers to open recommendations.

<sup>4</sup> Date provided by UNHCR in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

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

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
5	The UNHCR Representation in Mozambique, with support from the Regional Bureau for Southern Africa, should develop and implement an action plan to resolve the issues associated with the Government partner in relation to reception conditions, documentation, refugee status determination and registration data management.	Important	O	Submission to OIOS of: (i) the revised SOPs addressing the issues related to the printing, issuance, storage, reconciliation, cancellation and disposal of cancelled IDs; and (ii) evidence of implementation of an action plan for resolution of the bottlenecks in the RSD process.	31 March 2021
6	The UNHCR Representation in Mozambique, in coordination with the Regional Bureau for Southern Africa, should evaluate its livelihoods programme and use this information and the results of a market assessment to update its livelihoods strategy.	Important	O	Submission to OIOS of the revised strategy based on the results of a market assessment and evaluation of the livelihoods programme.	31 March 2021

# **APPENDIX I**

## **Management Response**



## Management Response

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

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Mozambique, in collaboration with the Regional Bureau for Southern Africa, should: (i) review its organigram to ensure that it is structured appropriately and reinforces accountability mechanisms and the control environment; and (ii) develop an action plan to strengthen its processes to effectively mitigate risks that impede the achievement of its strategic objectives.	Important	Yes	Admin Finance Officer, Maputo  Snr HR Partner, RBSA  Snr Risk Management and Compliance Advisor, RBSA	20 December 2020	(i) Activities to address this component of the recommendation are ongoing in coordination with the Regional Bureau for Southern Africa (RBSA). A list of additional positions required to ensure a proper structure and an improved control environment has been finalized with key positions such as the Senior Protection Officer recruited and onboarded, who can also deputise the Representative. However, actual improvement to staffing structures will be subject to the availability of funding. (ii) In conjunction with the RBSA new and existing staff will be identified for specific risk related training areas and ensuring a risk focal point and back-up are in place.
2	The UNHCR Representation in the Mozambique, in coordination with the Bureau for Southern Africa, should strengthen its strategic and operational planning to ensure proper prioritization of needs and allocation of limited resources, as well as cost effective programme implementation.	Important	Yes	Snr Protection Officer, Maputo  Strategic Planning and Management (SPM) and	31 March 2021	The UNHCR Representation in the Mozambique will work with the Regional Bureau for Southern Africa (RBSA) to align the Mozambique programme to the Regional Strategic Directions 2020-2022, establish sectoral strategies as required and reinforce management oversight of its

<sup>5</sup> 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.

<sup>6</sup> 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.

<b>Rec. no.</b>	<b>Recommendation</b>	<b>Critical<sup>5</sup>/ Important<sup>6</sup></b>	<b>Accepted? (Yes/No)</b>	<b>Title of responsible individual</b>	<b>Implementation date</b>	<b>Client comments</b>
				Protection Pillars, RBSA		activities which will be reflected in FOCUS.
3	The Division of Emergency, Security and Supply should develop guidance related to when UNHCR will engage and what role country operations will have in preparing for and responding to displacements from natural disasters.	Important	Yes	DESS - Deputy Director	30 April 2021	The Division of Emergency, Security and Supply (DESS) has developed an internal DESS workplan to prepare policy guidance in consultation or coordination with the Special Advisor on Climate Change as well as other expertise in DIP and DRS including the clusters.
4	The UNHCR Representation in Mozambique, in collaboration with the Regional Bureau for Southern Africa, should strengthen its capacity to conduct risk analyses and use these to proactively anticipate and strengthen its emergency preparedness in order to be able to respond to future influxes effectively.	Important	Yes	Snr Protection Officer, Maputo  Snr. Operations Coordinator, SPM Pillar, RSBA  Snr. Risk Management & Compliance Advisor	31 March 2021	Given the size of the operation, the strengthening of the emergency preparedness will have to be done with substantial external support (from the Regional Bureau for Southern Africa, other field operations and HQ departments). The RBSA has assisted with development of HALEP for IDPs in Capo Delgado and continues to provide support. Emergency Preparedness training was planned jointly by DESS/RBSA in the first quarter of 2020 however this was postponed due to COVID-19.  The RBSA also now has the Senior Risk Management and Compliance Advisor, in place giving the Bureau the capacity to conduct strategic risk analyses across the region reviewing regional and geopolitical factors that will facilitate displacement. The Snr Risk Management Advisor will provide ongoing support to country operations and to use this analysis

Rec. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						proactively to respond effectively to future influxes.
5	The UNHCR Representation in Mozambique, with support from the Regional Bureau for Southern Africa, should develop and implement an action plan to resolve the issues associated with the Government partner in relation to reception conditions, documentation, refugee status determination and registration data management.	Important	Yes	Snr Protection Officer, Maputo  Snr. Protection Officer, RSBA  DIMA Coordinator, RSBA	31 March 2021	UNHCR Representation in Mozambique will work with the Government Partner accordingly. However, the issue of refugee status determination is a Central Government issue and UNHCR and its Government Partner will continue to advocate for the clearing of the refugee status determination backlog. With regard to documentation, SOPs have been drafted and provided to the Government partner. In addition, secure cabinets have also been procured to physically safeguard documentation.
6	The UNHCR Representation in Mozambique, in coordination with the Regional Bureau for Southern Africa, should evaluate its livelihoods programme and use this information and the results of a market assessment to update its livelihoods strategy.	Important	Yes	Ass. Livelihoods Officer, Nampula  Snr. Livelihoods & Economic Inclusion Officer, RSBA	31 March 2021	The livelihoods strategy will be revised based on the results of the market assessment to be completed before the end of the year and the socio-economic analysis to be undertaken through the targeting hub. Several data collection and evaluation exercises are also planned to inform programming and strategy development.