



INTERNAL AUDIT DIVISION

REPORT 2021/034

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

**Processes needed to be strengthened to
ensure delivery of services to persons of
concern in a timely, cost-effective and
sustainable manner**

16 August 2021

Assignment No. AR2020-112-02

Audit of the operations in Sudan 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 Sudan 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. The audit covered the period from January 2019 to September 2020 and included a review of: (a) strategic planning and resource allocation; (b) fair protection process and documentation; (c) health; (d) management of non-food items (NFIs); (e) shelter and settlement; and (f) community empowerment and self-reliance projects.

The Representation's effectiveness in implementing programme activities continued to be constrained by the limited infrastructure in the country, which was compounded by political unrest in 2019 and responding to two emergencies in 2020 due to an influx of persons from Ethiopia and the COVID-19 pandemic. The audit found that processes needed to be further strengthened to ensure the delivery of services to PoCs in a timely, cost-effective and sustainable manner.

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

- Strengthen its strategic planning and performance management to ensure that services are delivered to PoCs in a more cost-effective manner. This should include developing action plans to: support the implementation of the nine pledges made by the Government during the 2019 Global Refugee Forum; and reduce inefficiencies in the implementation of its programmes;
- Ensure up to date and accurate data is maintained on refugees and asylum seekers and assist the Government in addressing the backlog of refugee status determination cases;
- Strengthen the quality of health services provided to PoCs by updating its strategic plan, maintaining a health information system, improving its management of medicines, and enhancing its oversight of partners' activities;
- Implement standard operating procedures over the management of receipt, storage and distribution of NFIs and adequately monitor partners activities to ensure accountability and to obtain assurance that NFIs reach the intended beneficiaries;
- Improve its management of community support projects; and
- Strengthen its planning, design and implementation of its shelter programme activities.

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

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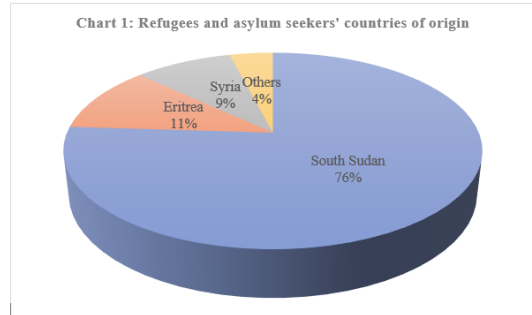
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Audit of the operations in Sudan for the Office of the United Nations High Commissioner for Refugees

I. BACKGROUND

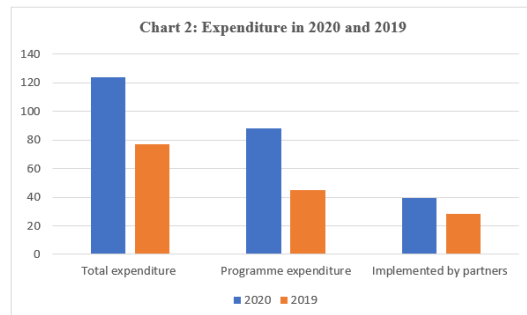
1. The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in Sudan for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. The UNHCR Representation in Sudan (hereinafter referred to as ‘the Representation’) was established in 1968 to provide refugees, asylum seekers and other persons of concern (PoCs) with protection and humanitarian assistance. Sudan is a source, transit and destination country for PoCs and economic migrants along the Eastern Africa migratory route into North Africa and then on to Europe. As at 31 August 2020, the Representation reported that there were an estimated 1,069,000 refugees and asylum seekers (as reflected in Chart 1), and nearly 2 million internally displaced persons (IDPs).



3. The Government of Sudan’s reservation to the article on freedom of movement of the 1951 Refugee Convention to which it is a signatory was the basis for the encampment policy in the country. It however also applied the Arab-Islamic notion of asylum to Syrians, Yemenis, Palestinians and other Arab nationals, whereby they are treated as nationals in terms of freedom of movement, choice of residence and access to social amenities. As UNHCR’s Government counterpart, the Commission for Refugees coordinated the refugee response on behalf of the Minister of Interior and implemented programmes in the areas of education, reception, registration, refugee status determination (RSD), camp management and refugee returns.

4. The Representation recorded a total expenditure of \$77 million and \$128 million in 2019 and 2020, respectively. It also worked with 47 partners in 2019 and 2020, who implemented 36 and 32 per cent, respectively, of the operating level budget as illustrated in Chart 2. Programme implementation was impacted by the political instability in 2019, as well as the COVID-19 pandemic in 2020. Additionally, at the time of the audit, the Representation was responding to an influx of displaced people from the conflict in the Tigray region of Ethiopia.



5. The Representation was headed by a Representative at D-2 level and had a branch office in Khartoum, four sub-offices in El Fasher, Kassala, Kadugli and Kosti, and nine field offices. Its operations were decentralized because of the country’s large expanse and the challenge of obtaining travel permits from the Government. As of 31 August 2020, the Representation had 485 positions comprising of 364 national and 121 international staff, besides 114 staff affiliate positions. The Representation is accountable to the Regional Bureau for East, Horn of Africa and the Great Lakes, with the latter providing support and/or management oversight over the former’s operations.

6. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess whether the UNHCR Representation in Sudan was managing the delivery of services to 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 and the operational context.

8. This audit was included in the 2020 risk-based work plan of OIOS due to risks related to the size and complexity of the operations in Sudan.

9. OIOS conducted this audit from November 2020 to March 2021. The audit covered the period from January 2019 to September 2020. Based on an activity-level risk assessment, the audit covered higher and medium risks areas as reflected in Table 1.

Table 1: Expenditure included in the audit scope from 1 January 2019 to 31 October 2020

	Expenditure \$ millions	Percentage of overall programme expenditure (%)
Basic and domestic items	17	18
Community empowerment	10	11
Health	10	11
Shelter	3	4
Fair protection and documentation	11	12
Total	51	57

10. The audit methodology included: (a) interviews with 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; and (d) sample testing of controls. The audit was conducted remotely due to travel restrictions and therefore, OIOS was unable to assess controls that required physical observation.

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

III. AUDIT RESULTS

A. Strategic planning and resource allocation

Need to strengthen strategic planning and engagement with the Government partner

12. Ever-increasing needs in a resource-constrained and challenging operating environment calls for effective strategic planning to enable the Representation to deliver services to PoCs in a timely, cost-effective and sustainable manner.

13. The Representation had prepared various strategies to direct the implementation of its programmes including a multi-year protection and solutions strategy (2018-2020) and an overarching protection and solutions strategy (2020). However, its multi-year protection and solutions strategy had not been evaluated for its effectiveness in prioritizing and delivering on protection solutions and to inform the development of a new strategy. Also, while the 2020 protection and solutions strategy provided high-level direction for the 2021 country operation planning process, it did not have a multi-year outlook, and was not developed in

consultation with key stakeholders to ensure PoC issues were fully considered. Further, the strategy did not have performance indicators against which its success would be measured. Sector strategies were not always in place as reflected in other sections in this report, and when in place, they were not cascaded from the overarching protection strategy.

14. There were gaps in the Representation's recording of results against established targets in FOCUS at the end of 2019 and at the 2020 mid-year point. Indicators and targets included in partnership agreements were not linked to those in FOCUS and thus did not reflect how they contributed to the overall achievement of the Representation's strategic objectives. The low and/or non-performance reported at the 2020 mid-year point had not been analyzed and therefore, remedial action had not been taken.

15. As part of its planning, the Representation did not adequately consider ways of delivering programmes in a more economical and efficient way. For instance, the Representation: (a) allocated to partners procurement of \$20 million in 2020 without assessing whether it created any comparative advantage as partners were not exempt from value added tax (VAT) of 17 per cent; (b) designated procurement of \$3.4 million to the Government partner even though several reviews identified significant instances of non-compliance with UNHCR guidelines, and VAT estimated at \$494,000 had not been recovered; (c) continued procuring goods locally instead of internationally (pre-COVID-19) despite the large exchange difference between official and market rates; and (d) did not conduct a needs assessment to determine whether the 461 vehicles in its fleet (as well as the large fuel budget) were required.

16. The Government made nine pledges during the 2019 Global Refugee Forum to improve the rights of refugees by mainstreaming them into the Sudanese national systems in areas such as education and health. However, the Representation did not develop a plan on how it would support the Government to ensure these pledges were honored. UNHCR was therefore continuing to fully fund the Government partner's programmes in areas such as education and health amounting to \$16 million in the audit period.

17. The Representation paid \$10.5 million to the Government partner for staff costs for 1,598 positions, out of which 39 per cent (621) were in administrative and managerial roles. This included 61 staff in sectors where no programme implementation was happening and for managing refugee returns, a programme that had ended in 2018. Negotiations with the Government partner were underway on a possible reduction to staff costs, but no assessment had been done to determine the necessary staffing levels to deliver services cost-effectively and to guide on what constituted reasonable salary rates.

18. The Representation had established a cross functional assurance committee to identify and manage key risks, which was a best practice. However, the risk register did not include strategic risks in areas of registration and public health services, and in other areas risk ratings did not always reflect the likely impact of risks if materialized and proposed actions for mitigating them. For instance, despite its known impact on programmes, inadequate capacity of the Government partner to implement programmes was rated as medium risk with no corresponding mitigating actions.

19. Many of the issues mentioned above had been raised in the last OIOS audit of Sudan (report 2018/49, dated 25 May 2018), and although all recommendations were closed based on evidence received, their implementation was not sustained. The Representation was operating in a complex operating environment but with gaps in strategic planning, and by not taking action to implement its programmes more economically, there was an increased risk that PoCs' would not be able to access the level of protection they needed.

<p>(1) The UNHCR Representation in Sudan should ensure that services are delivered to persons of concern in a more cost-effective manner by: (a) strengthening its strategic planning and performance management; (b) developing an action plan to support the implementation of</p>

the Government pledges; and (c) taking action to reduce inefficiencies in programme implementation.

UNHCR accepted recommendation 1 and stated that it was implementing a transition strategy covering a two-year timeframe from 2021/22 that responds to current contextual priorities in Sudan. This transition strategy would be followed by a longer-term multi-year strategy from 2023 onwards. Recommendation 1 remains open pending receipt of the Representation's: (a) current multi-year protection and solutions strategy and relevant performance indicators and targets for their achievement; (b) action plan to support the implementation the Government pledges; and (c) evidence that inefficiencies identified in the audit are addressed in the 2022 programme plan.

B. Fair protection process and documentation

Significant gaps in registering refugees needed to be addressed

20. The Government partner was responsible for implementing fair protection activities i.e. registration of asylum seekers, RSD processes and providing identification documentation. UNHCR supported these activities by fully funding costs and providing materials and technical support. The Representation's draft registration strategy to provide direction on fair protection had not been shared with the Government partner.

21. By the end of 2020, there was an estimated refugee population of over 1 million in Sudan but there was a significant backlog in registration with only 622,480 (59 per cent) recorded in UNHCR's registration and case management system (proGres). This included 252,999 South Sudanese PoCs that remained unregistered since 2016. The political insecurity in the country also affected the recording of individual details for 96,518 South Sudanese and Central African Republic refugees in proGres. UNHCR's project to ensure PoCs had identification cards stalled in 2019 and this impacted PoCs' access to required documentation for their protection and access to services. UNHCR needs to continue to advocate with the Government on ensuring PoCs in Sudan are properly documented.

22. The information in proGres was not reliable since the Representation had not conducted a physical verification of PoCs for more than 10 years in East Sudan and Darfur. The pilot verification conducted in a camp in 2020 only identified 64 per cent of the registered population, with the differences in numbers still under review at the time of the audit. Further, proGres was not regularly updated with information on births, marriages and deaths and those refugees who did not show up for three consecutive monthly food distributions were not deactivated. UNHCR tools to support the identification of PoCs for services were not rolled out, with only 199,094 (32 per cent) of the registered population captured in the biometric identity management system, and the global distribution tool was only available in 5 of the 21 camps.

23. The Government had a backlog of 15,596 asylum applications dating back to 2015. The Representation's plan to conduct a strategic review of the RSD process to address this backlog was postponed to 2021 due to the pandemic. The timeliness and quality of the RSD process was also impacted by the lack of standard operating procedures (SOPs) to guide the Government partner on related processes as well as the reassignment of trained Government staff to other duties.

24. The Representation had not included risks related to the fair protection process in its risk register for mitigation, and there was a need for the Regional Bureau to extend its support from RSD to challenges the country was facing regarding registration and documentation. These weaknesses resulted in the Representation not having current population data to inform its programming of assistance. If unaddressed,

these gaps could negatively impact PoCs' protection in Sudan as well as their access to services such as NFIs.

- (2) The UNHCR Representation in Sudan should, in consultation with the Government of Sudan, finalize the development and commence the implementation of strategies to facilitate: (a) up to date and accurate data on the refugee population; (b) capacity development interventions to reduce the backlog of refugee status determination; and (c) issuance of identity documents to persons of concern.**

UNHCR accepted recommendation 2 and stated that a two-year draft strategy on registration and documentation was under review by Headquarters and should be rolled out by the end of November 2021. Implementation of the strategy had already started in the Kordofan states, with population verification activities ongoing since April 2021. Further, the clearance of the registration backlog of South Sudanese refugees is ongoing in various locations, including Khartoum. Recommendation 2 remains open pending receipt of: (a) the finalized strategy and related SOPs for registration and RSD; (b) a plan of action to support the Government in its registration and RSD backlogs; and (c) evidence that the project to deliver identity documents to PoCs has been restarted.

C. Health

Need to prioritize and strengthen the delivery of health services to PoCs

25. The Representation was providing health services to PoCs through partners. Its draft health strategy (2019-2020) did not reflect the Representation's plans to integrate PoCs into the national health system as committed to by the Government during the Global Refugee Forum. It also did not include the unique needs of the different population groups it was assisting. The strategy was not linked to its activities in the water, sanitation and hygiene sector which was the root cause of infectious disease outbreaks in camps. The Representation did not have SOPs (except for the White Nile region) to guide partners' implementation of key activities such as the management of medicines and medical supplies and referral of patients to tertiary institutions.

26. OIOS reviewed the Representation's delivery of health services to PoCs and noted the following:

- The fees charged to PoCs in urban areas for medical attention were at rates that were two or three times higher than those paid by nationals;
- There was no synchronised vaccination in border areas between countries of origin and Sudan for prevention nor was surveillance conducted to ensure the early detection of disease outbreaks in refugee camps. Epidemic preparedness plans to support a response once outbreaks happened were not in place, as was seen when dengue fever and polio struck during the audit period;
- A nutrition survey conducted in 2019 among PoCs in West Kordofan confirmed reports of high prevalence of global and severe acute malnutrition rates across camps and informal settlements, and there was no evidence that action was being taken to address this; and
- The Representation did not have documentation to evidence that PoCs were integrated into the national HIV and tuberculosis health systems for treatment as had been reported. Additionally, it could not confirm that reproductive health services were provided to PoCs, e.g., the distribution of condoms.

27. The Representation was not involved in decisions made by partners prior to referring them to tertiary institutions, a process that should have been overseen by a referral committee. The Representation had also not signed agreements with referral hospitals to ensure that quality services were provided, accurate data

was maintained and costs incurred were tracked. Referral data reported in FOCUS was also inaccurate because partners reported the number of patient consultations instead of referrals made.

28. The Representation procured medicines worth \$265,000 locally in 2019 without prior approval from Headquarters. The Representation was also unable to provide documentation on the purchases and therefore, OIOS could not assess whether UNHCR procurement standards were met, especially regarding the quality of medicines purchased. The Representation only conducted one physical verification of medical stores during the period under audit and thus could not provide assurance that medicines were maintained in suitable conditions, and properly accounted for.

29. The Representation had not implemented the UNHCR's health information system (TWINE) for capturing and reporting related data. Therefore, the data reported in FOCUS was not compiled using standard templates to ensure consistency for reporting purposes and thus could not always be relied upon for decision making. Multi-function teams (MFTs) did not conduct year end visits to all partners involved in delivering health services. A review of available monitoring reports showed that MFTs were not systematically verifying the progress made in implementing programmes, and whether they were creating the desired impact.

30. The absence of an overall strategy meant that resources may not always be focused on the high-priority health needs of PoCs. Insufficient monitoring of partners' activities resulted in the Representation not being able to identify and mitigate health and safety risks in a timely manner.

(3) The UNHCR Representation in Sudan should strengthen the quality of health services provided to persons of concern by: (a) updating its strategic plan and standard operating procedures including those related to the referral process; (b) maintaining a health information system; (c) improving procurement and management of medicines; and (d) enhancing oversight over partners activities.

UNHCR accepted recommendation 3 and stated that a public health strategy was under development and the Representation was engaging operational partners to ensure out-of-camp populations got health services. An epidemic preparedness and response plan was also being developed. Recommendation 3 remains open pending receipt of evidence that: (a) the health strategy and SOPs have been finalized; (b) a health information system has been rolled out for the collection, analysis and reporting of health information; (c) action has been taken to strengthen controls over the procurement and management of medicines; and (d) monitoring of partners' activities has been enhanced.

D. NFIs management and distribution

Action needed to address weaknesses identified in the management and distribution of NFIs

31. The Representation managed 12 warehouses, with partner staff responsible for distributing NFIs. However, there were lapses in controls over warehouse and inventory management, which included: the issuance of inventory without completing the required material stock request (MSR); occasions where the date on waybills preceded the one on the MSR; and discrepancies between quantities approved for issuance on MSRs and what was reported as having been received by partners. For instance, one MSR in El Obeid recorded that 110,516 NFIs (\$39,785) had been issued, but the distribution partner's records showed that they had only received 38,720 NFIs (\$13,939). The difference of 71,796 NFIs (\$25,847) remained unaccounted for.

32. For the audit period, OIOS was unable to reconcile the number of NFIs valued at \$14.6 million that were received by the Representation into its warehouses, to those issued, and those reported as received by PoCs. In a virtual tour, OIOS noted that there were discrepancies between physical stock and inventory records maintained in the sample selected. These related to 17,753 jerry cans (\$53,081), 65,114 sleeping mats (\$99,669), 6,400 plastic tarpaulins (\$66,240), 72,576 blankets (\$195,955) and 1,719 kitchen sets (\$31,887). The differences remained unresolved at the time of the audit. OIOS also noted that while warehouses had bin cards, other key documents such as goods received notes, delivery notes and waybills were not maintained.

33. The distribution of NFIs through partners was not guided by a proper needs assessment and defined beneficiary criteria to ensure that items reached the most vulnerable. Further, partners did not systematically prepare distribution reports and thus, the Representation did not have adequate information on the distribution of NFIs. For those reports available, key details were absent such as the selection process for beneficiaries, what was distributed, and signatures of those receiving NFIs. Additionally, there were inconsistencies between beneficiary lists and the total number of PoCs that were reported as having received NFIs. Additionally, the dates of distribution reports were earlier than issuance of NFIs from warehouses. The Representation had not followed up on the reasons for these differences to ensure corrective action was taken.

34. The Representation was not conducting on-site monitoring of the distribution of NFIs to confirm that items reached the intended beneficiaries. Post distribution monitoring was also not carried out to assess the adequacy and effectiveness (quality, sufficiency and utilization) of NFIs in mitigating protection risks among PoCs.

35. The above issues were due to the Representation not having SOPs to direct partner staff on implementing good inventory management practices, establishing eligibility criteria for distribution of NFIs, and preparation of distribution reports. It also did not monitor related programme activities. Consequently, the Representation could not properly account for NFIs under its stewardship, nor provide assurance that NFIs reached the intended beneficiaries.

(4) The UNHCR Representation in Sudan should develop and implement standard operating procedures over the management of the receipt, storage and distribution of non-food items (NFIs) and establish adequate monitoring of partners' activities to strengthen accountability and to obtain assurance that NFIs reach the intended beneficiaries.

UNHCR accepted recommendation 4 and stated that it was in the process of sourcing a commercial warehouse solution and it had introduced serialized and color-coded documents to strengthen the receipt, storage and release of inventory. Recommendation 4 remains open pending receipt of SOPs for receipt, storage and distribution of NFIs and evidence that: (a) beneficiary targeting criteria have been established; (b) on-site and post distribution monitoring is being done; and (c) periodic reconciliation has been conducted of NFIs issued to what is distributed.

E. Community empowerment

Need to improve the management of community support projects

36. The Representation received \$30 million from the United Nations Central Emergency Response Fund for community support projects (CSPs) for the building of a conducive environment for refugee returnees, IDPs, refugees and host communities. In 2020, the Representation implemented through implementing partners, 68 related projects worth \$8.3 million that targeted six million beneficiaries in

Darfur, South Kordofan and Blue Nile regions. Most projects were related to the construction of schools, law courts, clinics, community centers, water points and police posts.

37. From a review of 15 projects, it was noted that: (a) some were not initiated in a timely manner as 9 of the 77 projects planned for 2020 were not started by the end of the year; (b) insufficient time was allocated for project proposal development, with partners given only eight business days to respond; (c) the project period of three months was too short to complete construction activities, with most projects taking up to six months; and (d) stalled projects raised questions on whether proper feasibility studies were conducted prior to their selection e.g. a brick making project could not continue due to the absence of raw materials. One partner also awarded several contracts totaling \$522,243 to one contractor with the projects expected to be completed within a compressed time. This created capacity constraints, the completion of these projects was delayed, and poor-quality work was delivered.

38. Partners did not systematically record their results on the online reporting tool in a timely manner, which impacted the Representation's access to up to date information on the status of the projects. Moreover, the Representation's MFTs that were responsible for monitoring the implementation of CSPs did not always have sufficient expertise in construction and engineering and therefore, simply listed the percentage of completion reported by the partner. MFTs were also unable to identify quality flaws or recommend appropriate actions to bring delayed or substandard projects back on-track. The Representation's civil engineer independently reviewed construction activities in North Darfur after the projects were completed and identified major quality issues. However, as partners had not made provisions for retaining fees from contractors to correct construction defects, further funding had to be allocated to correct the flaws and/or complete the projects.

39. Considering the above, there was a need for the Representation to strengthen its management of CSPs to ensure they are completed in a timely manner, and funds provided for such projects are being used effectively.

(5) The UNHCR Representation in Sudan should strengthen its project management practices over community support projects to ensure they are completed on time and to required quality, and that they create the desired impact on the lives of persons of concern.

UNHCR accepted recommendation 5 and stated that it had strengthened the monitoring of CSPs with all new projects tracked, monitored, and reported on in the online tool. Partners have been trained on the use of the online tool. It is also engaging third-party monitoring agents to reinforce its monitoring of CSPs. Recommendation 5 remains open pending receipt of evidence that the Representation has strengthened its project management of CSPs by conducting feasibility studies prior to selection of projects; monitoring their implementation by partners; and ensuring they use the online monitoring tool for reporting.

E. Shelter and settlement

Need to strengthen the monitoring of shelter and settlement programmes

40. The Representation has for many years implemented its shelter and settlement programme residing in camps through partners. However, its shelter and NFIs strategy (2021/22) was not aligned to the UNHCR's global strategy, with key information absent regarding: (a) planning data on targeted beneficiaries and number of shelters required; (b) environmental impact assessments on sourcing of shelter materials; (c) a work plan and comprehensive budgets; and (d) the required maps, demographic analyses, and settlement layouts.

41. The Representation as part of its performance monitoring, was responsible for collecting shelter programme data such as shelter materials and tool kits purchased, stored, issued and distributed, but this information was not always available. For instance, OIOS was unable to reconcile the quantities ordered to those delivered due to the absence of waybills issued by suppliers. Additionally, the Representation was issuing goods received notes as proof of receipt of shelter materials even though materials were directly received by partners in the absence of UNHCR staff. The Representation also made payments to suppliers against photocopies of invoices, and this resulted in a double payment to a supplier for 500 shelter kits amounting to \$104,680. This matter remained unresolved at the time of the audit.

42. In FOCUS, the Representation had recorded a low performance of its implementation of the shelter programme. For instance, in 2019, under the indicator of households living in adequate dwellings, it achieved: (a) 10 per cent against the 65 per cent target for IDPs; and (b) 40 per cent against the 80 per cent target for refugees and asylum seekers from Ethiopia and Eritrea. No explanations were provided, nor action was taken to address the low results achieved. The Representation attributed the poor results to the poor road infrastructure that affected their accessibility to implementation sites. In OIOS view, these explanations should have been recorded in FOCUS, and going forward performance targets need to be more realistic and take into account challenges faced in programme implementation.

43. The low implementation of the shelter programme increased protection risks as PoCs did not always have shelters that provided them with privacy, protection from the elements, emotional security and an adequate space to live as required by UNHCR policies.

(6) The UNHCR Representation in the Sudan should strengthen its planning, design and implementation of its shelter programme to better meet the needs of persons of concern.

UNHCR accepted recommendation 6 and stated that the shelter strategy was reviewed and adapted for 2021/2022, to include the global needs assessment methodology. The Representation also has implemented a Sudan-specific SOP for payments that ensures there is a complete transactional trail prior to processing for payment. The Representation has put measures in place to guard against duplication and introduced periodic spot checks and reporting by managers on all payments processed. Recommendation 6 remains open pending receipt of evidence that: (a) its revised shelter strategy is aligned with the UNHCR global strategy; (b) controls over payments to suppliers have been strengthened; and (c) realistic shelter targets have been established and monitored.

IV. ACKNOWLEDGEMENT

44. OIOS wishes to express its appreciation to the management and staff of UNHCR Representation in Sudan 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 Sudan for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The UNHCR Representation in Sudan, should ensure that services are delivered to persons of concern in a more cost-effective manner by: (a) strengthening its strategic planning and performance management; (b) developing an action plan to support the implementation of the Government pledges; and (c) taking action to reduce inefficiencies in programme implementation.	Important	O	Recommendation 1 remains open pending receipt of the Representation's: (a) current multi-year protection and solutions strategy and relevant performance indicators and targets for their achievement; (b) action plan to support the implementation the Government pledges; and (c) evidence that inefficiencies identified in the audit are addressed in the 2022 programme plan.	June 2022
2	The UNHCR Representation in Sudan should, in consultation with the Government of Sudan, finalize the development and commence the implementation of strategies to facilitate: (a) up to date and accurate data on the refugee population; (b) capacity development interventions to reduce the backlog of refugee status determination; and (c) issuance of identity documents to persons of concern.	Important	O	Recommendation 2 remains open pending receipt of: (a) the finalized strategy and related SOPs for registration and RSD; (b) a plan of action to support the Government in its registration and RSD backlogs; and (c) evidence that the project to deliver identity documents to PoCs has been restarted.	November 2021
3	The UNHCR Representation in Sudan should strengthen the quality of health services provided to persons of concern by: (a) updating its strategic plan and standard operating procedures including those related to the referral process; (b) maintaining a health information system; (c) improving procurement and management of medicines; and (d) enhancing oversight over partners activities.	Important	O	Recommendation 3 remains open pending receipt of evidence that: (a) the health strategy and SOPs have been finalized; (b) a health information system for the collection, analysis and reporting of health information has been rolled out; (c) action has been taken to strengthen controls over the procurement and management of medicines; and (d) enhanced monitoring of the partner by the Representation.	December 2021
4	The UNHCR Representation in Sudan should develop and implement standard operating	Important	O	Recommendation 4 remains open pending a copy of SOPs for receipt, storage and distribution and	October 2021

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 Sudan for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	procedures over the management of the receipt, storage and distribution of non-food items (NFIs) and establish adequate monitoring of partners activities to strengthen accountability and obtain assurance that NFIs reach the intended beneficiaries.			storage of NFIs and evidence that: (a) beneficiary targeting criteria has been established; (b) on-site and post distribution monitoring is being done; and (c) periodic reconciliation of NFIs issued to what is distributed is being done.	
5	The UNHCR Representation in Sudan should strengthen its project management practices over community support projects to ensure they are completed on time and to required quality, and that they create the desired impact on the lives of persons of concern.	Important	O	Recommendation 5 remains open pending receipt of evidence that the Representation has strengthened its project management of CSPs by conducting feasibility studies prior to selection of projects; monitoring their implementation by partners; and ensuring they use the online monitoring tool for reporting.	November 2021
6	The UNHCR Representation in the Sudan should strengthen its planning, design and implementation of its shelter programme to better meet the needs of persons of concern.	Important	O	Recommendation 6 remains open pending receipt of evidence that: (a) its revised shelter strategy is aligned with the UNHCR global strategy; (b) controls over payments to suppliers have been strengthened; and (c) realistic shelter targets have been established and monitored.	September 2021

APPENDIX I

Management Response

Management Response

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

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Sudan, should ensure that services are delivered to persons of concern in a more cost-effective manner by (a) strengthening its strategic planning and performance management; (b) developing an action plan to support the implementation of the Government pledges; and (c) taking action to reduce inefficiencies in programme implementation.	Important	Yes	(a) Representative (b) Deputy Representative (c) Assistant Representative – Programme	(a) February 2022 (b) June 2022 (c) September 2021	No additional comments.
2	The UNHCR Representation in Sudan should, in consultation with the Government of Sudan, finalize the development and commence the implementation of strategies to facilitate: (a) up to date and accurate data on the refugee population; (b) capacity development interventions to reduce the backlog of refugee status determination; and (c) issuance of identity documents to persons of concern.	Important	Yes	Principal Risk Management and Compliance Advisor	November 2021	SOP on ID Card Issuance to refugees was issued jointly by UNHCR and COR on 25 July 2021. The first implementation of the SOP will be for the Tigray refugee response.
3	The UNHCR Representation in Sudan should strengthen the quality of health services provided to persons of concern by: (a) updating its strategic plan and standard operating procedures including those related to the referral process; (b) maintaining a health information system; (c) improving procurement and management of medicines;	Important	Yes	Assistant Representative – Programme	December 2021	No additional comments.

⁵ 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.

⁶ 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.

Rec. no.	Recommendation	Critical⁵/ Important⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	and (d) enhancing oversight over partners activities.					
4	The UNHCR Representation in Sudan should develop and implement standard operating procedures over the management of the receipt, storage and distribution of non-food items (NFIs) and establish adequate monitoring of partners activities to strengthen accountability and to obtain assurance that NFIs reach the intended beneficiaries.	Important	Yes	Assistant Representative – Programme	October 2021	No additional comments
5	The UNHCR Representation in Sudan should strengthen its project management practices over community support projects to ensure they are completed on time and to required quality and that they create the desired impact in the lives of persons of concern.	Important	Yes	Assistant Representative – Programme	November 2021	No additional comments.
6	The UNHCR Representation in the Sudan should strengthen its planning, design and implementation of its shelter programme to better meet the needs of persons of concern.	Important	Yes	Assistant Representative – Programme	Planning and Design – September 2021	No additional comments