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## **Executive Committee of the High Commissioner's Programme**

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**Consideration of reports on the work of the Standing Committee**

**Programme budgets, management, financial control**

**and administrative oversight**

## **Report of the Board of Auditors to the General Assembly on the accounts of the Voluntary Funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 2010**

**Report by the High Commissioner**

**Addendum**

**Measures taken or proposed in response to the  
recommendations in the Report of the Board of Auditors to  
the General Assembly on the Accounts of the Voluntary  
Funds administered by the United Nations High  
Commissioner for Refugees for the year ended  
31 December 2010**

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## **I. Introduction**

1. In accordance with paragraph 10 of General Assembly resolution 47/211 of 23 December 1992, this document informs of measures taken or to be taken by the United Nations High Commissioner for Refugees (UNHCR) in response to the recommendations of the Board of Auditors. It first addresses the main recommendations set out in of the Chapter II Summary of their Report (see A/AC.96/1099 and A/66/5/Add.5), and then provides responses to other recommendations as detailed in paragraphs 18 to 158. Unless otherwise indicated, all references appearing below relate to the aforementioned Report.

## **II. Main recommendations**

### **A. Recommendation (paragraph 29)**

2. “The Board recommends UNHCR establish a detailed process for the year-end preparation of its financial statements encompassing the cleansing of accounting records, the preparation of comprehensive supporting schedules, and detailed and evidence-based management review of the draft financial statements prior to submission to the auditors. This recommendation replaces the unimplemented recommendation, made in 2009, that UNHCR: (a) ensure that the responsible officials comply strictly with the closing instructions of the organization; and (b) adjust its internal procedures in order to comply with the audit requirements.”

#### **Measures taken by the Administration**

3. UNHCR has an established and detailed year-end account closure process which is being updated to take account of forthcoming IPSAS requirements and lessons learned from the audit for the year ended 31 December 2010. This will encompass data reconciliation, preparation of schedules and management review of financial statements. UNHCR planning has an implementation date of 31 October 2011.

### **B. Recommendation (paragraph 33)**

4. “The Board recommends that UNHCR examine and address the reasons for deficiencies in country office financial management and reporting capacity.”

#### **Measures taken by the Administration**

5. UNHCR will review relevant audit and inspection reports, consult with Headquarters and Bureaux and continue to analyse data in the Management Systems Renewal Project (MSRP) to focus on those country offices in need of greater strengthening of financial management practices. Based on this review and analysis, UNHCR will develop workplans to address the identified gaps. In this process, the Division of Financial and Administrative Management (DFAM) will consult with the Global Learning Centre (GLC) to determine the additional training needs required in these locations. This exercise will commence as soon as possible.

6. There are several tools available in MSRP which were disseminated to assist financial management in country offices. These reports and other relevant reports will again be circulated during 2011. It is anticipated that this recommendation will be addressed by 31 December 2012.

### **C. Recommendation (paragraph 44)**

7. “The Board recommends that UNHCR, as part of its rationalization of its bank arrangements, centralize its banking arrangements at headquarters in order to gain maximum leverage from its bankers, and subject all accounts to a regular and critical challenge, closing any unnecessary bank accounts immediately.”

#### **Measures taken by the Administration**

8. UNHCR has put in place a comprehensive plan to continue implementing the roll-out of a centralized payments approach. This is a joint project between the Financial Control Section (FCS) in Budapest, particular field offices and Treasury, Geneva. UNHCR is constantly improving its bank account arrangements to meet the foremost operational needs of programme implementation in difficult areas worldwide. In addition, UNHCR’s aim is to provide optimized, integrated, cost-effective cash management and liquidity banking structures for its operations. It is anticipated that by 31 December 2011, the centralization of payments for Asia and Africa will be completed. All bank accounts will be reviewed on a quarterly basis to assess the need for continued use.

### **D. Recommendation (paragraph 49)**

9. “The Board reiterates its recommendation that UNHCR conduct exhaustive bank reconciliations and reconcile all differences with the general ledger. This should include, as part of the month-end finance procedures, the reperformance of a sample of bank reconciliations to assure management that reconciliations are timely and accurate and that items requiring reconciliation have been properly resolved.”

#### **Measures taken by the Administration**

10. UNHCR has already made substantial efforts over the past two years to bring its bank reconciliations up to date. It will continue to focus on bank reconciliation as an important internal control tool, with the aim of improving the quality of the reconciliations by reducing the number of open reconciling items. UNHCR has already taken steps to strengthen the financial management team by adding two professionals who will deal with bank reconciliations as part of their overall portfolio. The bank accounts held at Headquarters are fully reconciled and are routinely reconciled on a monthly basis.

### **E. Recommendation (paragraph 73)**

11. “The Board recommends, as a matter of priority, UNHCR: (a) review and cleanse its accounting records, including all asset and liability balances; and (b) enhance its month-end closure procedures in order to fully reconcile all accounts and maintain the integrity of accounting records.”

#### **Measures taken by the Administration**

12. The IPSAS Implementation Team has developed a transition plan that includes a comprehensive review of the accounts and their reconciliation between ledgers to sub-ledgers, as well as the closure of any open items. The team will be further strengthened by additional accounting expertise being hired to complement the existing capacity, in order to ensure that balances are fully reconciled. It is anticipated that this recommendation will be fully implemented by 31 December 2011.

## **F. Recommendation (paragraph 78)**

13. “The Board recommends that UNHCR establish a clear plan for a “dry run” set of accounts with real accounting data.”

### **Measures taken by the Administration**

14. The IPSAS Implementation plan already contains a scheduled end-to-end “dry run” of the IPSAS-compliant procedures and financial statements as follows:

- a Trial Close in May 2012
- a Trial Close in August or September 2012 (depending on the first “dry-run”).

## **G. Recommendation (paragraph 88)**

15. “The Board recommends that UNHCR enhance its organization-wide change management programme for IPSAS, by specifying how senior management in every business unit must take ownership of and drive the delivery of the intended benefits during and after IPSAS implementation.”

### **Measures taken by the Administration**

16. There is already a change management plan in place that includes communications and training activities as part of the integrated plan. The IPSAS Project consists of five workstreams, one of which is Change Management. A comprehensive risk-based Change Management Strategy and Plan have been developed. The key population and related impact of IPSAS implementation have been identified following a detailed fit/gap analysis taking into account business requirements. This serves as input for all Change Management and training activities. Impacted Divisions are receiving communications with the specific requirements that they must meet in order to facilitate the implementation of the IPSAS project. Workshops have been conducted with three Bureaux to date on the impact of IPSAS in the Field.

## **H. Recommendation (paragraph 99)**

17. “The Board recommends that UNHCR develop comparative and cost-based information to improve the evidence base for allocation decisions and provide a stronger link to enforce accountability. Particular emphasis should be placed on allowing for comparisons between country operations, on the relative contribution made by UNHCR to changes in the conditions of populations of concern, and on linking financial and output data to assess efficiency and cost-effectiveness.”

### **Measures taken by the Administration**

18. UNHCR is in the process of upgrading and improvement of key business reports in *Global Focus* in order to provide evidence-based support to resource allocation decision making at the global, regional and operational levels in particular. The new reports will be developed as part of the improved *Global Focus* information service that will be made available to managers and staff from the beginning of 2012.

19. The key business reports will enable comparison between country operations and populations of concern, and over time the progress being made in these operations and populations. It is anticipated that the reports will show the needs of the populations, on the

basis of the global needs assessment data captured in *Focus*, and will allow this picture of needs to be compared with the current and planned allocation of resources to each population and area of concern. The reports will measure the impact made showing changes in the condition of populations, as well as the achievement of results in relation to plans. Both anticipated and actual impact and performance will be related to planned and actual cost, so as to allow efficiency and cost effectiveness to be assessed – providing both support for resource allocation decisions and a means of tracking accountability.

## **I. Recommendation (paragraph 117)**

20. “The Board recommends that UNHCR adopt a risk-based approach to managing partners on the basis of clearly defined requirements, objective and well-evidenced risk assessment of partners, and robust arrangements to monitor its consistent application by country offices.”

### **Measures taken by the Administration**

21. A comprehensive review has been conducted of UNHCR’s approach to, and management of, Implementing Partners (IP). Changes to the partner selection process are anticipated, as part of a comprehensive change of the overall IP management framework.

22. The findings and conclusions of the comprehensive review of the current IP Management Framework (undertaken by UNHCR during 2010 with the support of an external expert) tally with the United Nations Board of Auditors’ observations that a “one-size-fits-all” approach does not fully address the complexity of working with partners of varying capacity in challenging operating environments and the related shortcomings. UNHCR will adopt a “Differentiated Risk-Based Framework” and will allocate resources for implementation. A comprehensive approach will be pursued to improve the management and accountability of IPs overall, while developing and shifting to the new framework. The process will also link up with other management tools such as Results-based Management (RBM)/*Focus* and performance tracking, and will take into consideration the related recommendations received from the Board, such as those in paragraphs 92, 99, 100, 107, 114, 124 and 138. It is anticipated that the overall development application of the Framework will be completed by 2014.

## **J. Recommendation (paragraph 124)**

23. “The Board recommends that UNHCR impose mandatory requirements on its country operations to consistently:

- (a) Document their justification for partner selection, including explicit consideration of value for money, building on examples of good practice;
- (b) Formally assess the market for alternative partners at regular intervals (with once every five years as the absolute minimum);
- (c) Consider the alternative of commercial procurement whenever seeking a market-traded service and document the justification when selecting a non-commercial partner without having tested the market.”

### **Measures taken by the Administration**

24. UNHCR has already taken action to ensure an improved selection process of partners. All field operations were requested, in detailed planning and budgeting

instructions (IOM-FOM/063/2010) in 2011, to: (a) create an Implementing Partner Selection Committee; (b) to improve selection criteria to enhance the implementing partner checklist, covering added value, cost-benefit analysis and expected impacts; (c) to establish proper and full documentation of all selection processes and decisions; and (d) to establish a programme of inspection and review to provide assurance that the enhanced instructions are being complied with.

25. This message was further reinforced in 2011 through the support missions organized by the Division of Programme Support and Management (DPSM) on programme implementation and reporting. The mission consisted of 12 workshops addressed to multi-functional teams (288 participants), in 48 operations.

26. DPSM, DFAM and other relevant Divisions, will further formalize the instructions on the selection of Implementing Partners, highlighting the recommendations of the auditors (to assess market for alternatives every five years at a minimum and consider commercial options) in the updated version of the Operations Manual (Chapter 4) due to be available by the end of 2011.

#### **K. Recommendation (paragraph 145)**

27. “The Board recommends that UNHCR establish a single senior point of ownership for protracted refugee situations that has sufficient authority to monitor and address progress on all situations and to hold country operations to account.”

##### **Measures taken by the Administration**

28. UNHCR recognizes the fragmentation discussed in the Board’s report and has already initiated internal discussions on the subject with a view to assessing the right approach to the implementation of the recommendation. The recommendation is hereby noted and will be placed in a chronology of priorities for the organization to implement.

### **III. Other recommendations**

#### **A. Recommendation (paragraph 18)**

29. “The Board reiterates its previous recommendation that UNHCR continue its efforts to reduce the number of staff in between assignments and not on temporary duty and will re-examine the issue after UNHCR has established its revised policy.”

##### **Measures taken by the Administration**

30. Efforts are ongoing to reduce the number of staff in between assignments (SIBA) and to place staff members on regular and temporary assignments, or to reach agreed separation arrangements with staff who are SIBA or otherwise close to retirement, where this could also make posting opportunities available for SIBA. The revised SIBA Policy will be deliberated in the Joint Advisory Committee and should be promulgated before the end of 2011.



**B. Recommendation (paragraph 34)**

31. “The Board also recommends that UNHCR enhance its monthly financial closure processes to include, for example, documented review and validation of asset and liability balances, review of income and expenditure against budgets, and sign-off by the relevant responsible officers at headquarters and in the field on the components of the trial balance for which they are responsible.”

**Measures taken by the Administration**

32. UNHCR agrees with the thrust of this recommendation and will develop a process for documented review and validation by relevant officials as part of month end closure activities. It is planned that the process will be developed by December 2011, and the recommendation implemented during 2012.

**C. Recommendation (paragraph 39)**

33. “The Board reiterates its previous recommendations that UNHCR:

(a) fully align its disclosures regarding end-of-service liabilities with the relevant IPSAS standard for 2011 (including by providing more information in its note disclosures of the impact of changes in discount rates on its stated liabilities); and

(b) set up specific funding for its accrued end-of-service and post-retirement liabilities.”

**Measures taken by the Administration**

34. UNHCR confirms that: (a) it will align its disclosure regarding its end-of-service liabilities with the relevant IPSAS standard in its 2011 accounts, by 31 March 2012; and (b) the funding mechanism for these liabilities has been approved and will take effect on 1 January 2012.

**D. Recommendation (paragraph 40)**

35. “The Board also recommends that UNHCR develop robust and documented quality control procedures to validate the integrity of the data supplied to its actuaries concerning staff end-of-service liabilities.”

**Measures taken by the Administration**

36. Detailed procedures are being written down under the Employee Benefits module of IPSAS to validate the accounting of benefits payable to staff at the end of their service. This includes annual leave accrual, the after-service health insurance and the repatriation grant. Control mechanisms will also be put in place on a regular basis to validate the data, thereby ensuring the integrity of data provided to the actuary.

37. Full implementation of the MSRP Absence and Vacation module in all UNHCR offices, which is anticipated by 31 December 2011, will create a centralized repository of leave balance and activity data. This will further enhance data reporting.

**E. Recommendation (paragraph 50)**

38. “The Board also recommends that UNHCR revise its policy on monthly bank reconciliations, drawing on international best practice, in particular with regard to the adoption of routine daily bank reconciliations on more active accounts. This will require UNHCR to identify its most active bank accounts, obtain daily transactional information from its bankers and update its internal procedures accordingly.”

**Measures taken by the Administration**

39. UNHCR will revise its policy to perform routine daily general ledger bank reconciliation on the more active accounts. UNHCR has already adopted international best practice and is able to automatically reconcile its accounts payable sub-systems, on a daily basis, for all UNHCR Headquarters bank accounts, which represent the most active and high-value bank accounts. The sub-system automated reconciliation to and from bank transactions is fully integrated into the *Peoplesoft ERP Cash Management* Module and enabled through automatic electronic bank statement uploads from and to the banks. Audit trails are fully available for the automated sub-system bank reconciliations on a daily basis. Routine daily bank reconciliation will be performed based on the fully integrated and automated sub-system reconciliations, as from September 2011.

**F. Recommendation (paragraph 56)**

40. “The Board recommends that UNHCR intensify its efforts to cleanse the data supporting non-expendable valuations and enhance the guidance and information on asset management provided to country offices. The latter should include guidance on the frequency of local asset management board meetings.”

**Measures taken by the Administration**

41. UNHCR’s Supply Management Service (SMS) has launched a global project to support all country offices in the validation of their Property, Plant and Equipment (PPE) and inventory. With regard to PPE, this will enable UNHCR to ensure that the value of PPE in the asset register reconciles with the physically verification of PPE. This project will enable UNHCR to cleanse the data supporting non-expendable valuations and will provide additional guidance and information on asset management to country offices. Guidance on the frequency of local asset management board meetings is included in the final report of each of the visits.

42. Country operations holding PPE, where no Headquarters visits have been conducted, have also been instructed and guided on how to ensure validation of their PPE during the same period. Specific guidelines on how to undertake the verifications (in French and English) have been provided. Each operation has identified a focal point for inventory and PPE, and committed to a completion date for the validation exercise. SMS will coordinate this exercise, provide guidance where needed and follow up on the results.

43. Additional country visits or follow-up visits by SMS PPE experts will be scheduled as necessary to ensure accurate accounting for PPE.

44. In order to ensure that potential issues identified during the validation exercise are acted on in an appropriate way, measures have been put in place to resolve outstanding cases in a timely manner by raising the cases directly with senior executives of the organisation.. On a monthly basis the Asset and Fleet Management Unit (AFMU) within SMS will generate the following exception reports on PPE for each country:

- Pending GS45 disposal forms
- Non-verified assets in MSRP
- Pending purchase order receipts
- Assets in transit
- Assets received not in service
- Assets more than 15 years old

45. Any critical matters identified in these exception reports will be followed up with the relevant country PPE focal points. In case the PPE focal points do not resolve the issues within a month, the country Representative will be notified by the Head of SMS, and, if the issue still remains unresolved it will be raised with the Assistant High Commissioner for Operations who will request the responsible Bureau Director to take action.

46. In addition, and in coordination with the Global Learning Centre (GLC), training courses on the supply chain will be developed and delivered in order to improve understanding of PPE accounting and the conduct of local asset management board meetings. These training courses will take place between June and December 2011, covering all regions in which UNHCR operates.

## **G. Recommendation (paragraph 62)**

47. “The Board recommends that UNHCR refine and enhance its current stocktaking procedures in the light of lessons learned from the experience gained in 2010, including the need for more frequent counts, until the integrity of the systems is assured.”

### **Measures taken by the Administration**

48. As mentioned above, SMS has launched a global project to have all inventory and PPE in all country operations physically verified between June and September 2011. This is being undertaken in addition to the year-end physical counts. The lessons learned in 2010 have been taken into account for this exercise, namely: (a) establishing a culture of ongoing monitoring and reconciliation with MSRP; (b) training all relevant staff; (c) providing clear guidelines; (d) further enhancing training via regional workshops; and (e) establishing a continuous follow-up and escalation process.

49. Depending on the results of the validation exercise, SMS will determine whether it will be necessary to continue with two full physical counts per year, or if even more counts might be required for a certain period.

## **H. Recommendation (paragraph 63)**

50. “The Board also recommends that UNHCR regularly review all inventory items for obsolescence and damage and that it write down the values accordingly.”

### **Measures taken by the Administration**

51. As part of the comprehensive validation exercise described under the measures taken for recommendation (paragraph 56) and recommendation (paragraph 62), all inventory items will also be reviewed for obsolescence and damage during the physical counts, and written off, if required. This will also be addressed in the training of local supply staff.

**I. Recommendation (paragraph 69)**

52. “The Board, in the light of earlier slippages against the IPSAS implementation plan and the time now available, recommends that UNHCR intensify the frequency and depth of its managerial review of progress.”

**Measures taken by the Administration**

53. The implementation plan that targets a 2012 roll-out of IPSAS is monitored by the IPSAS Business Owner Committee, the IPSAS Steering Committee as well as the Controller and the Deputy High Commissioner. In addition, since March 2011, the services of a consulting firm were sought to perform an independent Project Quality Assurance and Review. The consulting firm reports the progress to the Steering Committee on a monthly basis. UNHCR can report that the plan is currently on track and there are no significant slippages.

**J. Recommendation (paragraph 81)**

54. “The Board recommends that UNHCR establish a clear plan for the creation of opening balances, and that the plan be shared with the Board as soon as possible. The plan should provide sufficient time to enable the Board to conduct an audit of the opening balance sheet no later than three months before the conclusion of the first “live” year of IPSAS implementation.”

**Measures taken by the Administration**

55. The IPSAS implementation team has developed a transition plan for each workgroup in order to identify the accounts that need to have opening balances or those that need to be restated. This plan will be shared with the Board of Auditors during September 2011, as part of the monthly consultation process. The validation of the IPSAS opening balances will be reviewed and validated with the Board of Auditors during the May 2012 trial closure process. This should give ample time for the Board of Auditors before the 2012 year-end.

**K. Recommendation (paragraph 85)**

56. “UNHCR agreed with the Board’s recommendation that, in refining the implementation strategy, its IPSAS implementation team clearly identify the objectives and envisaged benefits of the IPSAS project and develop a methodology to track and manage benefits realization.”

**Measures taken by the Administration**

57. As part of the Change Management strategy and plan, a list of key performance indicators (KPIs) has been defined to monitor data and the enforcement of procedures. In addition and in accordance with the Board’s recommendation, the IPSAS implementation team will refine the strategy to include a benefits realization methodology to identify and track the envisaged benefits.

**L. Recommendation (paragraph 92)**

58. “The Board recommends that UNHCR streamline its performance measurement to focus on mission-critical activities in a more comprehensive way, embracing output volumes, service quality and efficiency of delivery. The prioritization of activities is a managerial responsibility, but criteria should include financial materiality, or the extent to which activities are planned to materially benefit major populations of concern.”

**Measures taken by the Administration**

59. UNHCR is carefully monitoring and evaluating the introduction of the Results Framework, which operations have been using for performance measurement only since 1 January 2010. Based on findings and feedback from UNHCR staff, the Office has undertaken a review of the Results Framework for 2012. The main changes are at the level of the formulation of objectives and the definition of impact indicators. An internal working group will continue to review and improve the expression of outputs and the related performance indicators where UNHCR has recognized that additional work is required to ensure that performance indicators support not only the monitoring of the quantitative aspects, but also the qualitative dimension of performance.

60. Discussions are also ongoing within key divisions at Headquarters on the identification and selection of a set of “core indicators” which would focus on mission critical areas and which all operations, as applicable to their context, would be required to monitor and report against. The special focus on tracking progress against Global Strategic Priorities (GSPs) has also been given additional emphasis, with the introduction of a more limited and focused set of GSPs for the 2012-2013 biennium.

**M. Recommendation (paragraph 100)**

61. “The Board also recommends that UNHCR develop a summarized scorecard to enhance senior management review of performance and risks at the country and corporate levels, aligned with the development of *Focus*, in support of the implementation of results-based management.”

**Measures taken by the Administration**

62. This recommendation together with recommendation (paragraph 99) will be taken into account in the design of the key business reports that are the subject of the *Focus* Phase 2 *Global Focus* working group process, as described above under IX above. Consideration will be given to identifying, for inclusion in the reports, data elements that would be indicative of risk factors and which can be correlated with performance.

63. Consideration will be given to presenting such evidence of performance and risk in a scorecard format, in order to correlate this information with populations and their level of need, thereby providing senior managers with clear and reliable guidance as to where available and potentially available resources can best benefit populations of concern.

**N. Recommendation (paragraph 104)**

64. “UNHCR agreed with the Board’s recommendation that it re-establish and entrench the principles laid down in its own guidance by establishing at the country level a policy clearly specifying the circumstances in which country operations should normally

commission programme and project evaluations, and requiring explicit planning and budgeting for evaluation during project design.”

**Measures taken by the Administration**

65. In revising Chapter 4 of its Operations Manual, UNHCR will reassess the need for providing clearer guidance to field operations on the importance of ensuring that larger operations are subject to evaluation on a regular basis, and that plans and budgets for evaluation activities form part of overall resource requirements. UNHCR does not limit its regular monitoring activities to focus only on the performance and service delivery in its operations. With the introduction of the Results Framework and additional guidance, UNHCR operations are also involved in measuring the impact of their interventions. However, it is recognized that a special evaluation, undertaken jointly with colleagues or external advisers, could provide useful insights to assist the operational team to analyse achievements and actual impact, and to reassess strategies.

**O. Recommendation (paragraph 107)**

66. “UNHCR accepted the Board’s recommendation that, as a matter of urgency, it establish a simple organisation-wide risk management approach, building on existing reporting arrangements.”

**Measures taken by the Administration**

67. UNHCR has recently participated in high-level discussions on Enterprise Risk Management (ERM) at the United Nations inter-agency level. UNHCR will take due account of the lessons learned from United Nations and other organizations in the development of its ERM policy and methods. As of 1 August 2011, a senior staff member has been tasked to lead UNHCR’s initiative to develop a risk-management approach strategy.

**P. Recommendation (paragraph 114)**

68. “The Board recommends that UNHCR review the various approaches to project tracking across its network in order to identify best practice with wider applicability and assess compatibility with the corporate information technology strategy.”

**Measures taken by the Administration**

69. With reference to the comments on recommendation (paragraph 99) and recommendation (paragraph 100), UNHCR is in the process of substantially enhancing the functionality of *Focus*, including in the monitoring of transactions and the performance of implementing partners. Alongside further development of *Global Focus*, it is expected that together, these improvements will support a consistent and effective tracking of projects in different environments. The project tracking system used in the Iraq operation was developed in response to a very specific operational context and at a time when *Focus* was not yet sufficiently operational to satisfy the monitoring needs of that operation. The lessons learned from the use of the software developed in the Iraq operation will be part of the considerations of the working groups responsible for documenting business requirements for *Focus* Phase 2.

**Q. Recommendation (paragraphs 127 and 128)**

70. “UNHCR agreed with the Board’s recommendation that the range of indicators used in partner agreements be broadened through revised guidance and that performance frameworks be subjected to management authorization before agreements are signed. UNHCR stated that this would be taken forward as part of its broader development of performance reporting.”

**Measures taken by the Administration**

71. Current guidance and formats for partner agreements already provide for the possibility of including additional indicators suggested by the partner where the relevant indicator could not be found in the Results Framework. These additional indicators will be analysed by the working group with a view to their possible inclusion in a further revision of the Results Framework.

72. UNHCR will consider how best to strengthen a sense of ownership and ensure rigorous scrutiny of the project agreement performance frameworks by the responsible managers, both on the ground and at Headquarters, as part of quality assurance.

**R. Recommendation (paragraph 133)**

73. “UNHCR agreed with the Board’s recommendation that, in developing its new management approach and to help improve consistency, it establish common checklists that can be issued to officers in the field to detail the partner visits they undertake. The checklists should emphasize the need for firm action by country offices to tackle partner underperformance, and should require full documentation of the action taken. This recommendation replaces the Board’s previous recommendation.”

**Measures taken by the Administration**

74. UNHCR is in the process of undertaking a comprehensive review of its implementing partner management framework which will address the recommendation of the Board. The development plans include checklists to highlight performance and reporting requirements and the action to be taken.

**S. Recommendation (paragraph 138)**

75. “The Board recommends that UNHCR review and reconcile the management letters issued by the independent auditors against implementing partner financial monitoring reports, with follow-up action taken where appropriate.”

**Measures taken by the Administration**

76. While developing the differentiated risk-based implementing partner management framework, UNHCR will be taking a comprehensive review of the management of the implementing partner audit service, including audit service provider arrangements, the use of audit reports/management letters and measures taken to address the audit findings/recommendations.

**T. Recommendation (paragraph 150)**

77. “The Board recommends that UNHCR make it an explicit requirement that a comparative assessment against a “do-minimum” or “no-change” base option be included in each of the action plans it produces for internal and donor consideration on tackling protracted refugee situations. The purpose is to enable UNHCR to measure the value to be gained from the proposed solution, and does not imply that UNHCR should consider a “do-minimum or “do-nothing” option as acceptable.”

**Measures taken by the Administration**

78. The Executive Committee Conclusion on International Protection No. 109 (2009) on Protracted Refugee Situations highlights key aspects of supporting protracted refugee situations. Operations continue to strive for improved self reliance pending, and to help prepare for, the achievement of durable solutions. Progress in key areas such as education, livelihoods, health and partnership are tracked through the Results Framework and through qualitative performance indicators and expert reports. Operational plans are developed and progress on the five protracted refugee situations under the High Commissioner’s Global Plan of Action is continually monitored and updates provided.

79. UNHCR fully recognizes that a comprehensive overview of the overall implications of a solutions initiative for other stakeholders, including United Nations agencies and partners, is an important part of any solutions plan. The Office will consider the different elements included in the indicative model put forward by the Board in developing future plans and presentations.

**U. Recommendation (paragraph 154)**

80. “UNHCR agreed with the Board’s recommendation that its guidance for country offices on designing durable solutions be supplemented with concise checklists, compiled in the light of project experience, to help country teams better identify and budget for the costs that regularly arise in durable solutions.”

**Measures taken by the Administration**

81. UNHCR is currently updating its Repatriation and Reintegration Handbook which will provide updated guidance and checklists on policy and implementation, including on the type of budget items usually to be considered in such programmes. A Handbook on Development Assistance for Refugees is also available. In addition, there are sectoral guidelines to supplement overall planning. UNHCR recently compiled and widely disseminated lessons learned on local integration. UNHCR, the United Nations Development Programme (UNDP) and the Office for the Coordination of Humanitarian Affairs (OCHA) are currently drafting recommendations for the endorsement of the Secretary-General’s Policy Committee to bring more predictability and efficiency to the collective United Nations response to durable solutions in post-conflict situations.

82. Once there is a political breakthrough, durable solutions are achieved through a combination of humanitarian and development interventions. In this regard joint programmes are developed locally together with humanitarian and development partners (e.g. in Eastern Sudan, the United Republic of Tanzania, and Nepal, programmes are ongoing).

83. Checklists with key operational activities will be developed further, incorporating lessons learned.



**V. Recommendation (paragraph 158)**

84. “The Board recommends that UNHCR work with UNDP to finalize the memorandum of understanding as soon as possible, to provide greater certainty for country offices on how to identify and progress joint working opportunities on durable solutions.”

**Measures taken by the Administration**

85. The draft memorandum of understanding (MOU) with UNDP for the Transitional Solutions Initiative is currently in circulation and is expected to be signed by the Heads of agencies by the end of September 2011.

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