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AUDIT OF UNHCR OPERATIONS IN SYRIA

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UNHCR Audit Service

AUDIT OF UNHCR OPERATIONS IN SYRIA (AR2005/131/05)

EXECUTIVE SUMMARY

In December 2005, OIOS conducted an audit of UNHCR Operations in Syria. The audit covered activities with a total expenditure of US\$ 1.8 million in 2004 and 2005. A draft of this report was shared with the Director of the Bureau of CASWANAME and the Representative in Syria. *The Bureau for CASWANAME and the Representation have accepted most of the recommendations made.*

Overall Assessment

- OIOS assessed the UNHCR Operation in Syria as below average. The weaknesses identified, taken together or individually, significantly impaired the overall system of internal control. Prompt corrective action, in particular in the area of human resources management, is required by management to significantly improve the application of key controls.

Programme Management

- For the two partners reviewed, reasonable assurance could be taken that UNHCR funds were properly accounted for and disbursed in accordance with the Sub-Project Agreements. Partners' internal controls were assessed as satisfactory, but suggestions were made to strengthen them. *The Bureau and the Representation agreed to OIOS' recommendations.*
- Project performance monitoring was adequately carried out, however, financial monitoring could be more systematic and hence effective. There was also a need to strengthen the internal controls over assets on loan to partners. Assets were not bar-coded, Right of Use Agreements had not been entered into and no recent physical inventory had been conducted. *The Bureau and the Representation agreed to take action to strengthen internal controls.*
- The Representation could not provide a plausible explanation for the low implementation of project 05/SB/SYR/RP/333. The project did not deliver the expected outputs and left the targeted persons of concern without adequate support and assistance. Expenditure for some 22,500 Iraqi refugees totalled only US\$ 162,500 against the budget of US\$ 900,000. *The Bureau was of the opinion that the Representation lacked an understanding of how to manage the operation as well as project and sub-project details. As a result, for 2006 they have allocated provisions for a 6-month Programme Officer post.* OIOS is pleased to note the proposed action by the Bureau to address the weaknesses identified. OIOS recommends that an experienced Programme Officer be deployed with immediate effect to both assist in the

development and implementation of projects as well as in training staff in the fundamentals of programme formulation and management.

- Capacity building projects for the Government, although an operational priority, was insufficient. Only one workshop was conducted in 2004 and 2005. *The Bureau agreed with OIOS' recommendation for the Representation to develop a strategy and be more active in the area of capacity building.*

Administration

- In the areas of administration and finance, the Representation generally did not fully comply with UNHCR's regulations, rules, policies and procedures. Internal controls needed to be strengthened to provide management with assurance that those administrative activities with regard to travel, salary advances, asset management, cash management and MIP are operating effectively.
- OIOS was concerned with the personnel management practices adopted by the Representation. The recruitment process was not documented or transparent, and the criteria used for the selection of candidates were not clear. A number of project staff were hired for core functions including the determination of eligibility status. Personnel were contracted directly by UNHCR under Service Contracts or Special Service Agreements, and it was found that the terms and conditions of the contractual arrangements for individuals carrying out the same functions varied, as did their salary and entitlements. Moreover, some individuals started with UNHCR without a contract or a salary, this being classed as a probationary/training period. *The Bureau indicated that a mission by the Deputy Director and Head of Desk, with the involvement of the Division of Human Resources Management, will ensure OIOS' recommendations are addressed.*

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I. INTRODUCTION

1. From 4 to 15 December 2005, OIOS conducted an audit of UNHCR's Operations in Syria. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. OIOS reviewed the activities of the UNHCR Representation in Syria and of two of its implementing partners.
2. OIOS reviewed the UNHCR operation in Syria in 2002, which rated the operation as average. The 2002 review focused on 2001 programme activities covering expenditure of US\$ 1 million. An inspection from the Inspector General's Office was also conducted in the same year. It was found that the implementing partners needed to strengthen internal controls and ensure a more effective rate of implementation of programme activities. UNHCR Syria provided insufficient training for both programme and protection local staff and it was found that UNVs performed core functions for UNHCR. The need for a regional policy with regard to long stayers and urban refugees was also highlighted.
3. The UNHCR Representation in Syria was established in 1991. As Syria is not a party to the 1951 Convention, the programme comprises of significant protection / eligibility activities as well as resettlement, as this is the only durable solution for recognized refugees in the country.
4. The findings and recommendations contained in this report have been discussed with the officials responsible for the audited activities during the exit conference held on 15 December 2005. A draft of the report was shared with the Director of the Bureau of CASWANAME and the Representative in December 2005. The comments, which were received in January 2006, are reflected in the report. *The Bureau of CASWANAME and the Representation have accepted most of the audit recommendations made.*

II. AUDIT OBJECTIVES

5. The main objectives of the audit were to evaluate the adequacy and effectiveness of controls to ensure:
 - Reliability and integrity of financial and operational information;
 - Effectiveness and efficiency of operations;
 - Safeguarding of assets; and,
 - Compliance with regulations and rules, Letters of Instruction and Sub-Project Agreements.

III. AUDIT SCOPE AND METHODOLOGY

6. The audit focused on 2004 and 2005 programme activities under projects 04 & 05/AB/SYR/CM/201 and 04 & 05/AB/SYR/RE/500 with expenditure of US\$ 1.5 million. Our review concentrated on the activities implemented by the Syrian Women Union (SWU) - expenditure of US\$ 133,000 and the Syrian Red Crescent Society (SRCS) - expenditure of US\$ 1,062,000. OIOS also reviewed activities directly implemented by UNHCR with expenditure of US\$ 222,000.

7. The audit reviewed the administration of the Office of the Representation with an administrative budget of US\$ 317,000 in 2005 and assets with an acquisition value of US\$ 708,000 and a current value of US\$ 225,000. In December 2005, the Representation had 38 staff, which included 7 UNVs, 7 personnel under Special Service Agreements, 4 personnel under Service Contracts and 6 staff on Temporary Assistance.

8. The audit activities included a review and assessment of internal control systems, interviews with staff, analysis of applicable data and a review of the available documents and other relevant records.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Programme Management

(a) Programme implementation

9. As shown in Table 1 below, in 2004 and in 2005, the implementation rate for project SB/SYR/RP/333 was low, especially for direct implementation.

Table 1: Project budget, expenditure and implementation rate as of 20 December 2005

	2004			2005		
	Budget	Expenditure	Impl.rate	Budget	Expenditure	Impl.rate
AB/SYR/CM/201	775,897	688,865	89%	780,585	747,171	96%
AB/SYR/RE/500	40,130	40,130	100%	42,550	26,811	63%
SB/SYR/RP/333	358,846	43,793	12%	900,000	162,487	18%
TOTAL	1,174,873	772,788	66%	1,723,135	936,469	54%

10. The need to strengthen the Programme Unit should be reviewed in the perspective of increasing the capacity to initiate proposals and projects in the medium term.

11. Under project 05/SYR/RP/333 for Iraqi refugees on Temporary Protection (TP), with 22,508 cases registered by UNHCR, and in the absence of other reliable official statistics, the project expenditure was only US\$ 162,487. A more detailed review of expenditure on the project disclosed that hardly any activities had been undertaken with regard to education, legal assistance or food distribution. The impact of this project therefore was close to nil while interviews and situation papers concur describing the situation as critical.

12. It was clear from discussions at the Representation level that due to a lack of information sharing in the office most of the staff involved in the project was under the (wrong) impression that funds available were very limited, thus activities had to be small scale and kept to the minimum. OIOS commented that efforts should have been increased to identify potential partners, including government services to provide public services such as education and suggested that the Representation enter into additional Sub-Project Agreements to increase the impact of its activities for persons of concern.

13. *The Representative commented that normal implementation had been hampered by local constraints such as the weakness of implementing partners, capacity or inefficiency of the concerned Ministries. The Representative was also of the opinion that the non-release of funds was the main cause for under implementation. The Bureau indicated that although there was funding constraints they continually encouraged the Representation to submit concrete proposals with measurable targets and outputs to be achieved. This was not done,*

and it was the opinion of the Bureau that the Representation lacked an understanding of how to manage the entire operation as well as project and sub-project details.

14. *The Bureau indicated that although they offered support, it was not accepted by the Representation. Nonetheless, considering the problems encountered, for 2006 the Bureau has allocated provisions for a 6-month Programme Officer post in the perspective of increasing the capacity of the Representation. The Bureau also highlighted that a successful programme design and formulation, implementation, monitoring, evaluation also depended on the active participation of the entire office, including Protection, Administration and Management.*

15. OIOS is concerned as to the apparent lack of comprehension and expertise the Representation has in developing and implementing programmes. Therefore, as indicated by the Bureau, with immediate effect, an experienced Programme Officer should be deployed on a temporary basis to both assist in the development and implementation of projects as well as in train staffing in the fundamentals of programme formulation and management.

Recommendation:

- The UNHCR Bureau for CASWANAME should deploy, with immediate effect, an experienced Programme Officer (on a temporary basis) to assist the Representation in programme development and implementation. The assigned Programme Officer should also train Representation staff on the fundamentals of programme formulation and management (Rec. 01).

(b) Implementing partners monitoring

16. For project 04 & 05/AB/SYR/CM/201, two Sub-Project Agreements were signed with SWU and SRCS respectively. Only one project description however was developed for both sub-projects. OIOS also found that the sub-project performance indicators included were not always SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound) meaning that it was difficult to compare planned outputs against the actual results, as benchmarks, units of measurements and/or expected levels of achievement were not given. Without proper performance and impact indicators, the success of the project could not be effectively measured.

17. It had already been identified by the 2002 OIOS audit that internal controls over the financial management of activities delegated to partners needed improvement. As a result, budgetary transfers should only have been authorised at the item level. It was OIOS' opinion that to have them at the Sector level allowed too much flexibility. OIOS found that in 2004, operational costs of SWU (30 per cent of the final project expenditure) exceeded the initial budget figure by 42 per cent or 273,929 SYP (US\$ 5,115). No Supplementary Agreement was prepared as required or evidence that this budget overrun had been authorized.

18. OIOS assessed that sub-project financial monitoring could be more systematic and hence effective. For example no annual monitoring plan had been established, financial monitoring reports assessing the reliance UNHCR could place on the implementing partners were not prepared, and there was inadequate follow up on previous recommendations. A number of them had not yet been addressed. Moreover, OIOS found that the UNHCR authorizing officer did not always sign the SPMRs, formally accepting that the expenditure

reported by the partner as genuine project expenditure.

19. Considering the capacity of UNHCR's implementing partners in Syria, it is OIOS' opinion that UNHCR needs to enhance its method of project formulation and improve its monitoring role. This would help improve not only the quality of the project management but also the accuracy and effectiveness of reporting on the project activities undertaken.

20. Furthermore, gender specific indicators would allow measuring to what extent UNHCR Syria reaches out to women and children through its projects.

Recommendation:

- The UNHCR Representation in Syria should improve its sub-project management by reverting to budget flexibility at the item level, ensuring that operational costs of sub-projects are kept at a reasonable level and transfers in excess of 15 per cent are properly authorized. More detailed project descriptions are also required as well as improvements to the formulation of performance indicators, including gender specific ones. Project monitoring procedures should be formalised by the establishment of more regularly documented reviews (Rec. 02).

21. *The Representation commented that quarterly financial monitoring visits will be established in 2006 and duly documented. The Bureau agreed with the recommendation and will provide support to the Representation.*

22. Considering the nature and age of some of the assets, UNHCR should consider transferring some of the project assets (except vehicles) to partners in order not to retain the responsibility for them. For the remaining assets Right of Use Agreements should be signed. Prior to the disposal and transfer of assets appropriate procedures through the Local Asset Management Board need to be undertaken.

23. OIOS noted that project assets were not bar-coded and no recent physical inventory had been conducted. The Administrative Assistant, to whom the responsibility for asset management was delegated, had been requested, on a number of occasions, both by the implementing partners and the Programme Unit of the Representation, to bar-code assets. Apparently due to other priorities this was not done.

Recommendation:

- The UNHCR Representation in Syria should strengthen its internal controls over assets provided on loan to partners. All UNHCR assets should be bar-coded, Rights of Use Agreements entered into and a periodic physical verification undertaken. The Representation, due to the nature and age of some of the assets, should consider transferring some of them to partners after appropriate procedures have been initiated through the Local Asset Management Board (Rec. 03).

24. *The Representation confirmed that Right of Use Agreements would be issued in 2006. The Bureau indicated that they would provide the necessary support to implement the recommendation.*

(c) Country Operation Plan indicators (COP)

25. Indicators in the COP are not always specific, measurable or relevant. As an example, “Preventing further hardship due to deteriorated economic situations” is not measurable and is not sufficiently specific with regard to the activities undertaken in the UNHCR projects. Similarly “Recognized refugees interviewed [...], home visits” calls for a target number, which would allow measuring if it was achieved or not.

26. *The Representation confirmed that efforts would be made to improve performance indicators, making them more specific, measurable and relevant in the next COP exercise.*

B. Review of Implementing Partners

27. For the two partners reviewed, reasonable assurance could be taken that UNHCR funds were properly accounted for and disbursed in accordance with the Sub-Project Agreements. OIOS assessed that internal controls of both partners were generally in place and operating effectively, albeit some improvement was warranted. The 2004 Audit certificate for SRCS had been received and an unqualified opinion expressed.

(a) Syrian Women Union

28. In OIOS’ opinion, the social counsellors responsible for implementing counselling activities did not have sufficient social counselling experience prior to being hired (they were English literature graduates). Although the UNHCR Assistant Community Services Officer prepared interview checklists in order to assist in the work carried out, only 40 of them have been completed since March 2005. There was not sufficient evidence therefore that this activity was competently performed.

29. In OIOS’ opinion, the narrative SPMR was not satisfactory, as it did not allow for an accurate view of the activities undertaken. At this stage, as UNHCR does not intend to enter into an agreement with SWU in 2006, OIOS would suggest that SWU be encouraged to provide a more detailed and specific SPMR narrative that adequately documents the impact of the sub-project.

30. Further efforts were still required to strengthen internal controls over financial management. For example, although bank reconciliations were performed on a monthly basis, they were neither reviewed nor signed by a supervisor. Such a procedure would provide additional control over cash and bank transactions. *The Representation mentioned that cash management was in accordance with the Syrian Women Union financial internal procedures and policies, which the Representation could not change.* OIOS would emphasize that the Representation has a responsibility to ensure that partners implement sound internal control procedures in line with generally accepted good practices.

(b) Syrian Red Crescent Society

31. The two social counsellors of SRCS share an office where the interviews with the refugees take place. Confidentiality and privacy was for them not an issue and they mentioned that should they feel that a refugee was uncomfortable the other would step out of the office. OIOS believes that the conditions for refugees to disclose any problem, especially serious SGBV or violence / abuse, should be provided from the start, and that conducting one-to-one interviews exclusively should prevail.

Recommendation:

- The UNHCR Representation in Syria should request the Syrian Red Crescent Society to rearrange its office space to allow for interviews with refugees to be held in a comfortable and confidential environment (Rec. 04).

32. *The Representation agreed to raise the issue of having separate offices for counsellors with the implementing partner.*

33. No staffing table was provided to UNHCR with the final SPMRs nor was one available in the project file. OIOS found changes to the SRCS staff working on the sub-project and the increase in the salaries paid to them. This had not been properly monitored and disclosed.

34. The Accountant for the project received a full salary from the UNHCR sub-project and his employment contract provided for “full attendance”. In practice, the Accountant was only partially involved with the project, did not have an office and worked on other non-UNHCR related activities.

Recommendation:

- The UNHCR Representation in Syria should ensure that a staffing table indicating names and salaries, as well as entry on duty be provided regularly through the final SPMRs and Sub-Project Agreements, as well as liaise with the Syrian Red Crescent Society to amend the level of salary of the Accountant to one that is more adequate for part-time work (Rec. 05).

35. *The Representation agreed to liaise with SRCS to amend the level of salary of the Accountant.*

36. At the time of the audit, no updated assets list had been prepared although some new assets (one printer) should have been included. No logbook was maintained for the vehicle purchased from UNHCR funds, although the issue had already been raised in OIOS' 2002 audit. It was therefore not possible to assess the exclusive use of the vehicle for the project. Some old furniture (chairs, desks) was kept in the inner court of the office, with no action taken to dispose of them. *The Representation confirmed it will ensure that SRCS keeps a list of assets updated throughout the year, maintain a logbook for the vehicle and dispose of old items.*

(c) Stockpiling in El Hol/Hassake

37. The camp of El Hol was closed in 2004 and the remaining non-food items have since been kept in a warehouse at the camp. All items were received in 2003 and while, following a mission of a Senior Logistics Assistant from the Iraq Support Unit their distribution has increased in 2005 (tents dispatched to the UNHCR Jordan Office, relief items distributed in Abu Kamal, Damascus and Hassake), their rotation is still insufficient to reduce the risk that they will deteriorate in storage. It is also important that these items when distributed are done using the first-in-first-out basis. *The Representation confirmed that it will continue distributing the remaining items during the first quarter of 2006.*

C. Direct implementation(a) Refugee Status Determination activities

38. The increase in the number of Iraqis approaching the office, and at the same time the number of other refugee cases remaining stable, was putting increasing pressure on UNHCR's protection staff. For example, the asylum seekers approaching UNHCR in December 2005 will only obtain an eligibility interview in April 2006. Most of the eligibility activities (registration, interview, finalizing the file) have been delegated to UNVs or non-UNHCR staff (Service Contracts and Special Service Agreements – developed under Personnel Management). OIOS noted from discussions with staff that the intense workload has started to impact on staff morale and motivation.

39. OIOS also understood through meetings with the staff that little formal training is provided upon assignment and most of the experience is obtained from on-the-job training. Moreover, although weekly protection meetings take place, opportunities for Eligibility Assistants to share their experience, cases or questions, possibly with the guidance of a Protection Officer, should be developed to alleviate the impression that they are working in isolation. *The Representation confirmed that training and discussions on protection related issues will be implemented and that one to two one-day sessions were planned for the spring 2006.*

40. Eligibility Assistants are appointed as focal points for minors, detention cases, Somali or Sudan refugees, etc. The criteria on which the focal points are appointed was not clear and did not necessarily reflect their expertise/experience. *The Representative explained that, although not documented, the focal points were appointed based on their experience.* The Senior Protection Officer mentioned that, starting 2006, it is planned that the Eligibility Assistants would rotate every two months and that an assessment of their performance would then be made to appoint the focal points on a longer term basis.

(b) Use of Interpreters

41. Interpreters performing translation for UNHCR Eligibility or Resettlement interviews are not professional and do not have a contract. They sign an engagement of confidentiality as 'informal volunteer interpreters' and receive a cash allowance. The total interpretation fees paid in 2004 for project 04/AB/SYR/CM/201 amounted to US\$ 6,637, of which up to US\$ 2,100 was paid to the same interpreter. *The Representation commented on the difficulty to undertake issuing formal contracts, due to the limited number of interpreters and their fluctuation. It would however look into the issue and has already scheduled training for*

interpreters for 2006. OIOS understands that guidelines are being drafted with regard to the recruitment, conditions of service, training and monitoring of interpreters used by UNHCR. In the interim period until the guidelines are finalized and issued, the Representation should seek guidance from the Legal Affairs Section via the Desk.

Recommendation:

- The UNHCR Representation in Syria in conjunction with the Desk should seek guidance from the Legal Affairs Section on the proper contractual arrangements for the hiring of interpreters. The Representation should also develop criteria for their selection and evaluation (Rec. 06).

42. *The Bureau confirmed that guidance from the Legal Affairs Section would be sought to ensure proper contractual agreements are implemented.*

(c) Policy for long stayers

43. OIOS already mentioned in its report of 2002 that a significant share of the caseload had received assistance for longer than six months, which is normally the maximum period under UNHCR's current policy. At the end of 2005, SRCS confirmed that some refugees had been receiving subsistence allowance for the past five years. No follow up action has been taken by the Representation or by the Bureau for CASWANAME to establish a policy regarding long stayers. In saying this, however, OIOS appreciates that once the guidelines on Urban Refugees are finalized, this may assist the Bureau and hence the Representation in establishing a regional or local policy. *The Representation confirmed that it will follow-up on the recommendation in light of the final Report of the Beirut workshop, held in November 2005, and the draft UNHCR revised policy on Refugees and Asylum-seekers in urban areas.*

(d) Capacity building and training

44. Institutional capacity building is one of the operational priorities of the office. Upon discussion with the Representative, OIOS learned that only one government capacity building event took place during the period 2004-2005, namely a workshop for the Government in March 2005 on the 1951 Convention. An intervention planned at the Law University was cancelled. Seven other workshops were also organized for implementing partners in 2004 and 2005. OIOS considers this level of activity as insufficient for a priority area.

45. *The Representation indicated that it would use any opportunity to adhere to the recommendation but that, in the past, the Government had been reluctant to accept UNHCR's training offers.* If this is the case then the Representation needs to re-address how it is going to achieve one of its operational priorities.

Recommendation:

- The UNHCR Representation in Syria should develop a strategy on how it is going to implement institutional capacity building, which is one of its operational priorities. The Representation should be more active in the area of assistance and institutional capacity building and ensure more seminars/trainings take place (Rec. 07).

46. *The Bureau supported the recommendation and indicated it will provide assistance, where requested.* In OIOS' view, the forthcoming visit to Syria of the Deputy Director of the Bureau and the Head of Desk should address this issue to ensure programme objectives and targets are met. From the audit, subsequent correspondence and discussions with the Bureau it is doubtful that assistance will be requested. It is OIOS' opinion however that achieving targets is a joint responsibility of the Representation and the Desk, and thus initiative or corrective action, is not the sole prerogative of the Representation.

D. Personnel Management

(a) Staffing levels

47. The Representation has currently four protection posts, which are a Senior Protection Officer, a Protection Officer, an Associate Resettlement Officer and a Protection Clerk. The latter two were vacant at the time of the audit. In reviewing the COP submission for 2006, OIOS noted that no additional regular posts for protection activities were requested. It was mentioned in the COP revision (for protection posts) "the office is quite satisfied with the current staffing table in terms of national UNVs and regular staff under the Protection and Resettlement Section". From our review of the RSD activities in the office, the meetings held with staff and the contract situation as described below, it was OIOS' opinion that the protection staffing situation was not satisfactory. The Desk confirmed that it was upon their request that two new General Service protection posts were created.

Recommendation:

- The UNHCR Bureau for CASWANAME, in consultation with Department of International Protection, should assess the staffing requirements in protection at the Representation in Syria and address any shortcomings identified (Rec. 08).

(b) Recruitment

48. With the exception of UNVs, which fall under a different process with UNDP, local staff were normally selected through an interview held solely with the Representative. In some cases, an interview with a Protection international staff was subsequently performed, but this was an exception rather than a rule. The only criteria mentioned in the newspaper announcement for UNHCR positions were the need to have an excellent command of English and Arabic and a university degree in law (and these were not always complied with). Moreover, OIOS' review of the recruitment process noted that a systematic process of evaluating and grading candidates was not conducted. No evaluation schedules, interview notes and conclusions reached were available for OIOS to assess the objectivity and effectiveness of the process. This was less than satisfactory especially as in many cases interviews were only conducted by one person. In the interest of a fair and transparent selection process, a panel of 2 or 3 persons should conduct all interviews. For the selection of Eligibility Assistants, the Senior Protection Officer and/or the Protection Officer being the direct supervisors should be involved in the interviews.

Recommendation:

- The UNHCR Representation in Syria should develop an objective, transparent and documented recruitment process, which includes clear selection criteria, the establishment of an interview panel and interview forms to evaluate candidates. Evaluations, decisions and recommendations should be clearly documented (Rec. 09).

49. *The Representation confirmed that an interview/recruitment panel would be established in the beginning of 2006.*

50. Personal History Forms (P-11) or Curriculum Vitae were not always found in the personnel files *and the Representation stated that missing P-11s would be completed.*

(c) Appointments

51. The office has 24 project and/or temporary staff, all on different types of contracts including UNVs, personnel on Service Contracts, staff on Temporary Assistance and personnel on Special Service Agreements. Each of these statuses has its rules and related benefits, if any (SSAs). OIOS would question the reasoning of having such a variety of contractual arrangements, particularly for personnel conducting the same function, for example Eligibility Assistants. *The Representative explained that Eligibility Assistants start with a two-week 'training period' for which no contract is signed and no salary is paid. Should this prove satisfactory a SSA is then signed for 3 months initially, either converted to a Service Contract if the staff performs satisfactorily or extended. A Service Contract is the last step for a longer-term employment. At the end of the process, the person who remains had been pressurized and had matured.*

52. OIOS would highlight that within UNHCR rules and procedures the issuing of SSAs and/or SC to personnel working in UNHCR is not a legitimate contractual agreement. OIOS appreciates that SSAs are available under the United Nations rules (ST/AI/1999/7), but it is for "an individual who is a recognized authority or specialist in a specific field". The person issued an SSA "shall normally not receive any training at the expense of the Organization". This is contradictory to the use of SSA in the Representation for an initial probation and training period. OIOS does not think it is appropriate to "hire" staff, even if it is for training, without a proper contract and remuneration package. Moreover, no evaluation on the performance of staff was found in the personnel files to support that one staff member proved satisfactory or not.

53. Overall OIOS was concerned with regard to the variety of contracts and the terms of reference therein entered into with individuals carrying out UNHCR core functions. OIOS could not identify any clear criteria for the determination of the type of contract or the salary level paid. The following shows the anomalies that have arisen as a result of this:

- There were eight Eligibility Assistants under three different types of contracts - UNV, SC and SSA;
- A staff member initially on Temporary Assistance and entitled to the UNHCR medical insurance, Dependency Allowance, etc. was later transferred to a SC and as a result lost all prior entitlements;
- The two social counsellors employed under 05/SB/SYR/RP/333 and issued with a

Special Service Agreement are paid differently, one of them having the same salary as the driver.

Recommendation:

- The UNHCR Representation in Syria should discontinue the practice of ‘hiring’ individuals without any signed contract or remuneration package. The Representation should discontinue the use of contractual arrangements, which are not in line with UNHCR’s rules and procedures (Rec.10).

54. *The Representation commented that SSAs would be discontinued in 2006 and that project staff will fall either under the UNV scheme or the SC formula. Further non-UNV staff were getting salaries in accordance with their qualifications and the nature of the job, although the first determining factor was budgetary constraints.* OIOS is of the opinion that as Service Contracts are not a legitimate contractual arrangement in UNHCR the conversion of staff under SSAs to SCs is also not appropriate.

55. OIOS also noted in its review of personnel files that contracts were not issued and signed prior to the commencement of work in many cases. *The Representation confirmed that contracts preparation would be undertaken in due time.*

(d) Contracts

56. The variety of contracts, and the absence of clear rationale for appointments under differing contractual status, resulted in a difficult situation in the Representation. At the time of the audit, OIOS noted that a decision had been taken that all personnel under UNV, SCs or SSA contractual arrangements would move to a uniform SC in 2006. This would force some of the UNVs to take leave in order not to lose all accrued entitlement. On 15 December it was decided that, based on the staff performance and seniority, Heads of Unit would make proposals for each staff. *The Representation elaborated in January 2006 that a Committee had been appointed to review the situation and make recommendations enabling the office to establish homogeneity and fairness in accordance with objective criteria, which are qualifications, the nature of the work done and overall performance. This exercise would be done only after filling the new G3, G5, G6, G7 protection posts as well as the G7 Programme post.* OIOS commends the Representation for this initiative, but believes that it would be more beneficial to have the Committee work on criteria and performance appraisal before the selection process for new posts is initiated. It would be regrettable that the transparency and objectiveness intended does not immediately apply to the current staffing of positions.

57. In OIOS’ opinion, considering the core functions performed by most of the ‘project’ staff, a request should be made to regularize them. It is also OIOS’ opinion that the staffing issues identified above should be further refined and discussed with Headquarters to identify a satisfactory alternative. *The Representation stated that it could not avoid having different contracts, unless UNHCR decided to treat fairly its project staff by giving them a stable situation.* OIOS would re-emphasize that under UNHCR rules and procedures, the Representation should not be hiring project staff.

58. The differing contractual arrangements meant that some UNHCR personnel were not entitled to medical insurance. OIOS understands that the Representation is currently working on finding medical insurance for personnel on Service Contracts. OIOS met with other UN organizations in Syria and noted that UNICEF and WFP added a medical insurance scheme to their Service Contracts, and that additional Pension was either included or considered for inclusion. For medical insurance, such an option was already taken and contracted out to Van Breda. OIOS notes that the UNV status provides a more comprehensive social security insurance policy to staff and their dependents, as well as being less costly for UNHCR. *The Representative indicated that in 2006, Service Contracts would be medically covered under the Van Breda insurance scheme.*

59. The determination of the salary level for ‘project’ staff was not clear, with the exception of UNVs. It was confirmed in OIOS’ discussions with UNDP that for its personnel hired under Service Contracts, it was based on the Salary Scale of General Service Category in Syria. In OIOS’ view, in the interim period until the staffing situation is regularised, it may be appropriate for UNHCR to apply a similar salary scale. For example the salaries paid to Eligibility Assistants were paid at the G-3 level and Social Counsellors were paid at the G-1 level or less, which does not appear to be commensurate with the level of duties and responsibilities. *The Representative indicated that the salary scale policy was determined first by budgetary constraints, second by the nature of the job, and third by the staff qualification. However the same salary scale would be applied to those staff who cannot be put under the UNV scheme.* OIOS would highlight such a practice is highly irregular, and the Representation does not have the authority to develop a local salary scale policy. The Bureau in conjunction with DHRM needs to resolve this issue.

Recommendation:

- The UNHCR Bureau for CASWANAME should liaise with the Division of Human Resources Management to ensure that a review is conducted of the staffing practices established and contractual arrangements entered into by UNHCR Syria. There is a need to regularise the staffing situation as well as implement procedures for the monitoring and supervising UNHCR Syria’s human resources activities (Rec.11).

60. *The Bureau stated that a mission to Syria in February 2006 by the Deputy Director and the Head of Desk will ensure the proper implementation of recommendations 09 to 12. They will involve of the Division of Human Resources Management.*

(e) **Job description and performance evaluation**

61. Through OIOS’ interviews with staff, it was found that some staff had not been issued with any job description, defining their tasks, the extent of their responsibility or the criteria on which their performance would be evaluated. *The Representative confirmed that it would re-distribute job descriptions to newly recruited staff.* From a review of files, OIOS also observed that no evaluation or performance appraisals were conducted for personnel under SC or SSA. Such an evaluation should be prepared to support the continuance of personnel working for UNHCR.

Recommendation:

- The UNHCR Representation in Syria should ensure that regular performance appraisals are conducted and the relevant evaluation is duly filed (Rec.12).

E. Administration

62. In the areas of administration and finance, the UNHCR office in Syria did not always comply with UNHCR's regulations, rules, policies and procedures and controls were not operating effectively during the period under review.

(a) Financial management

63. From a review of payment vouchers, OIOS noted that vouchers were not always authorized and approved. Several errors in the account coding were noted related to travel and/or advances. With the rollout of MSRP, the staff responsible for preparing, authorizing and approving vouchers no longer sign the paper vouchers filed. OIOS also noted instances where MSRP new procedures were implemented with delay and it was recommended that the Representation ensure that the implementation of MSRP does not result in weakened internal controls regarding financial management.

(b) Advances

64. According to the Staff Administration and Management Manual (SAMM), "Representatives / Chiefs of Mission have the delegated authority to approve salary advances for locally recruited staff under certain circumstances and conditions". The salary advances equivalent to two months salary are paid and recovered in the currency of the duty station. From a sample of four salary advance requests, out of a total of ten staff members in receipt of a salary advance in 2004-2005, OIOS noted that no explanation was given as to the reason why the salary advance was requested. *The Representation explained that the reason for any new advance would be documented accordingly.*

65. An advance was also approved for an international staff, which was beyond the Representation's authority and would have required approval by DHRM.

66. From the MSRP list of open items, OIOS also noted that amounts were still outstanding for staff no longer working at the office. The Representation should be vigilant that upon separation or reassignment adequate check-out procedures are in place to ensure that all assets and outstanding advances are recovered. *The Representation confirmed that the concerned staff would be immediately asked to reimburse the outstanding advance.*

(c) Travel

67. UNHCR SAMM provides that the Director of the Bureau, via a quarterly travel plan, authorize travel for the Representative. This was found not to be the case. From a sample review of travel claims, OIOS also noted some cases in which the travel claim was not submitted within 15 days after return. The account code was not always mentioned in the PT8, nor did the certifying officer in some cases sign it. *The Representation indicated that planned missions would be shared with UNHCR Headquarters and that it would do its utmost*

to avoid undue delays in the submission of travel claims.

(d) Assets

68. OIOS noted that no physical inventory had been conducted in the last two years. *The Representation confirmed that a physical inventory would be performed as soon as possible.*

(e) Medical Insurance Plan

69. The Representation had not prepared and issued to MIP enrolled staff a recommended list of hospitals, physicians or pharmacies from where they should obtain services. The Administrative Clerk mentioned that she did sometimes call some physicians to check the reasonableness of claims submitted. OIOS believes however that costs related to MIP would be better controlled should a list of preferred hospitals, physicians and pharmacies be prepared, following a market analysis process.

70. Copies of medical bills were attached to the payment voucher. For confidentiality reasons, once the bills are checked upon submission of the claim they should be filed separately. Only the certified claim should be attached for the payment to be processed.

Recommendation:

- The UNHCR Representation in Syria should strengthen its internal controls and put procedures in place to ensure compliance with UNHCR's rules and procedures. This should ensure more effective management of administrative activities such as financial management, travel, asset management and MIP administration (Rec. 13).

71. *The Bureau agreed with the recommendation.*

(f) Local Boards and Committees

72. The list of members of the Local Committee on Contracts and of the Local Asset Management Board had not been updated and some of its members were no longer present in Syria. *The Representation indicated that the Committees did not meet since the re-assignment of the Senior Protection Officer but that the composition would be updated in the beginning of 2006.*

(g) Communications

73. Additional controls of the safekeeping of mobile phones were required. It was also noted that half of the phones were not used and it was not clear on what basis mobile phones were distributed to staff. It was OIOS' opinion that it should be based on professional needs. The present allocation should be reassessed.

74. An inspection of the premises showed that nine Eligibility Assistants share the same computer for Internet access. Internet has become an important tool for RSD, especially for information related to the Country of Origin. OIOS considered that the above practice was not efficient. *The Representative explained that the risk that the Assistants neglect their work if*

provided with Internet access resulted in restricting access to one computer.

Recommendation:

- The UNHCR Representation in Syria should clarify its criteria for granting Internet access and distributing mobile phones in view of usefulness and need, as well as assess the need to keep idle telephone contracts at a cost for UNHCR (Rec. 14).

75. *The Representation indicated that it would review all the distributed mobile phones and the need of other staff. It also indicated that previous Eligibility Assistants' access to Internet proved negative and that access would be installed on each floor. OIOS would highlight that this solution would not change the current situation, as all Eligibility Assistants are located in the Basement. The Bureau agreed with OIOS' recommendation.*

(h) Premises

76. The office is located in a previous apartment building. In 2005, security improvements to the premises were undertaken and additional office space was created. At the time of the audit, newly recruited Eligibility Assistants had no office space assigned.

77. In reviewing the set-up of the offices, OIOS also noted that offices for a particular Unit could be found in several different floors. Refugees coming for interviews are received either in the basement or on the second floor, which for security reasons is not fully satisfactory.

Recommendation:

- The UNHCR Representation in Syria should reconsider its office plan in order to bring it in line with functional requirements (Rec. 15).

78. *The Bureau agreed with the recommendation and offered its assistance to the Representation in this regard.*

V. ACKNOWLEDGEMENT

79. I wish to express my appreciation for the assistance and cooperation extended to the auditor by the staff of UNHCR and implementing partners in Syria.

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