

**RESPONSE AND IMPLEMENTATION OF RECOMMENDATIONS**  
**Assignment No.AR2010/131/03 – Audit of UNHCR Operations in Yemen**

Para. no.	Recommendation	Risk category	Risk rating	Accepted (Yes/No)	Implementation date	Client Comments
11	The UNHCR Representation in Yemen should put in place procedures to ensure that sufficient documentation is maintained to demonstrate that Implementing Partners are systematically evaluated using UNHCR laid down procedures in UNHCR Manual chapter 4 and IOM063-FOM063/2010.	Compliance	Medium	Y	December 2010	Review of the IPs according IP check list was done.
17	The UNHCR Representation in Yemen needed to implement the following measures to assist the main protection cluster in Sana'a with decision making on Internally Displaced Persons (IDPs): i) Strengthen existing mechanisms to improve coordination between the main protection cluster in Sana'a and the cluster working groups in the field; and ii) Create additional protection cluster working groups in other existing IDP locations to ensure decision making input from a wide cross-section of IDP affected areas.	Strategy	High	Y/N	February 2011	<ul style="list-style-type: none"> <li>• The coordination is strengthened especially with the arrival of the Snr. Protection UNHCR ( IDPs) mid December, and the arrival of the Protection cluster lead, seconded by NRC early 2011.</li> <li>• A protection cluster was recently established in Sa'ada.</li> <li>• The set up of new coordination mechanism is being reviewed to enhance coordination and taking into consideration the current elevated security situation and the political turmoil in Yemen.</li> </ul>
20	The UNHCR Representation in Yemen should develop an Internally Displaced Person strategy document and action plan with appropriate indicators, timelines and clear responsibilities for implementation	Strategy	High	Y	April 2011	It is being developed thanks to the arrival of the senior staff mid December/early January. An IDPs retreat was held in Feb. for Sana'a and the field staff to develop a joint strategy

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	to comply with the Global Management Accountability Framework (GMAF).					and action plan. The retreat results will be amalgamated with the conclusions reached by the AGDM/PA exercise with all stakeholders, before finalizing the strategy.
22	The UNHCR Representation in Yemen should ensure that UNHCR's shelter team countersigns the certification of works for construction activities to provide assurance to UNHCR that installments paid match the implementation achieved.	Operational	Medium	Y	ongoing	Noted. The construction is in progress; the shelter engineer has already been informed of this recommendation ; he has indeed been instructed to countersign the certification of works for construction activities to provide assurance to UNHCR that installments paid match the implementation achieved.
24	The UNHCR Representation in Yemen should ensure that salaries at Society for Humanitarian Solidarity are in conformity with the approved budget. The remedial action should include amongst others strengthened checks of salaries against approved budgets during financial monitoring visits and requesting Society for Humanitarian Solidarity to ensure that salaries paid agree to the approved budgets for specified posts.	Financial	Medium	Y	At each SPMR	SHS was informed and verification will be done at each SPMR.
26	The UNHCR Representation in Yemen should request INTERSOS to include in its employment contracts for project staff clauses which indicate non-liability for UNHCR should funding for posts be discontinued or in the case of force majeure.	Strategy	Medium	Y	April 2011	INTEROS was informed in writing; this will be double-checked and verified.
28	The UNHCR Representation in Yemen should request INTERSOS to maintain copies of all supporting documents in	Operational	Medium	Y	March 2011	The IP is being informed in writing.

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	Yemen for audit and control purposes in accordance with Clause 6.03 of the sub-agreement.					
32	The UNHCR Representation in Yemen should verify during monitoring visits that INTERSOS adheres to its own procurement guidelines in accordance with provisions of the sub-agreement between UNHCR and INTERSOS.	Financial	Medium	Y	At verification of SPMR	This is an ongoing activity. The Programme Unit has been instructed to carry out necessary monitoring and reporting with a view to implementing this recommendation.
34	The UNHCR Representation in Yemen, should: i) Seek advice from UNHCR Legal Office and raise at the UN Country team the issue of UN agencies not getting exemption from Value Added Tax. ii) Discuss with UNHCR's Division of Finance and Supply Management the appropriate mechanism to track VAT amounts which might not be recoverable.	Financial	Medium	Y	Ongoing with OMT	<u>MSG from LAS: (9<sup>th</sup> March 2011)</u> Regarding the treatment of VAT, the audit report states that although VAT was tracked, no money was ever recovered from the Government of Yemen, because the Host Country Agreement did not have a provision for UNHCR to claim VAT. Whilst the "Host Country" Agreement with the Yemen Arab Republic, does not refer to the recovery of VAT, the Convention on the Privileges and Immunities of the United Nations of 13 February 1946(the Convention) to which the Yemen Arab Republic became a party to on 23 July 1963, makes reference to tax exemption.  Article 8 of the said Convention states the following:  <i>"..... when the United Nations is making important purchases for official use of</i>

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						<p><i>property on which such duties and taxes have been charged or are chargeable, Members will whenever possible make appropriate administrative arrangements for the remission or return of the amount of duty or tax."</i></p> <p>UNHCR's assets, income and other property are therefore exempt from taxes and should be recoverable.</p> <p><u>In Yemen</u>, the issue was brought once more to the attention of the OMT to address jointly the issue to the GVT.</p>
36	The UNHCR Representation in Yemen should comply with the Revised Rules & Procedures Governing UNHCR Committees on Contracts and improve the documentation on the evaluation and justifications used for selection in the minutes of the Local Committee on Contracts.	Compliance	Medium	Y	ongoing	Noted. This ongoing process.
38	The UNHCR Representation in Yemen should update the asset management database with accurate information where required including information such as custodians, barcodes and serial numbers to ensure compliance with UNHCR Manual Chapter 8, Section 2 on asset inventory management.	Compliance	Medium	Y	ongoing	Since the establishment of the new asset management system in November 2010, the team is facing numerous technical problems to update the database in MSRP. Discussion ongoing with HQ for certain items.
41	The UNHCR Representation in Yemen should put in place procedures outlining the frequency that a physical inventory of assets will be conducted and evidenced by a proper inventory report within thirty days that summarises the discrepancies	Compliance	Medium	Y	Inventory was conducted by end of December 2010. PPE report was sent. STI reports being prepared by end of	Several problems occurred in asset management due to the new system established in November. HQ informed

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	found, action taken and follow-up action required in compliance with UNHCR Manual, Chapter 8 and IOM050-FOM049/2009.				March 2011.	
44	The UNHCR Representation in Yemen should register and track all items as Serially Tracked Items (STIs) which are defined and listed as STIs in Annex 1 of IOM-001/FOM-001/2009 UNHCR's New Policy on Serially Tracked Items.	Compliance	Medium	Y	Ongoing and will be finalized by March 2011	
48	The UNHCR Representation in Yemen should contact United Nations Department of Safety & Security and request a Minimum Operating Security Standards (MOSS) assessment mission for UNHCR Yemen offices as soon as possible.	Operational	Medium	N	ongoing	<p>We continue to conduct constant analysis and assessment on the ground followed by appropriately mitigation measures adapted to the environment.</p> <p>Second opinion is sought at the field level and the measures proposed by UNHCR FSA are discussed with UNDSS who is in agreement</p> <p><b><u>MSG from DSS:</u></b> Yemen is a complex and dangerous environment but it does not follow automatically from this that a MOSS compliance inspection by UNDSS New York is the most appropriate or even relevant response.</p>

