



**OIOS**

Office of Internal Oversight Services

## **INTERNAL AUDIT DIVISION**

# **AUDIT REPORT**

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## **UNHCR Operations in Malawi**

**Immediate attention is needed in programme management due to weak financial monitoring of projects and inadequate internal controls at implementing partners**

**5 March 2009**

**Assignment No. AR2008/113/01**

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United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

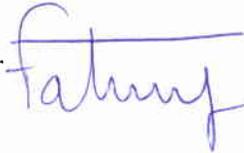
OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTRÔLE INTERNE  
INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE

TO: Mr. António Guterres, High Commissioner  
A: United Nations High Commissioner for Refugees

DATE: 5 March 2009

REFERENCE: IAD: 09-02252

FROM: Fatoumata Ndiaye, Acting Director  
DE: Internal Audit Division, OIOS



SUBJECT: **Assignment No. AR2008/113/01 – Audit of UNHCR Operations in Malawi**  
OBJET:

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we are pleased to inform you that we will close recommendations 2, 4 and 7 in the OIOS recommendations database as indicated in Annex 1. In order for us to close the remaining recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.
3. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendation 1), in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. L. Craig Johnstone, Deputy High Commissioner  
Ms. Judy Cheng-Hopkins, Assistant High Commissioner  
Ms. Karen Farkas, Controller and Director, UNHCR  
Ms. Maha Odeima, Audit Coordinator, UNHCR  
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors  
Ms. Maria Gomez Troncoso, Officer-in-Charge, Joint Inspection Unit Secretariat  
Mr. Moses Bamuwanye, Chief, Oversight Support Unit, Department of Management  
Mr. Byung-Kun Min, Programme Officer, OIOS  
Mr. Anders Hjertstrand, Chief, Geneva Audit Service, OIOS

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## INTERNAL AUDIT DIVISION

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### FUNCTION

*“The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization” (General Assembly Resolution 48/218 B).*

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### CONTACT INFORMATION

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## **EXECUTIVE SUMMARY**

### **Audit of UNHCR Operations in Malawi**

OIOS conducted an audit of the United Nations High Commissioner for Refugees (UNHCR) operations in Malawi. The overall objective of the audit was to assess the adequacy and effectiveness of internal controls in programme management, supply chain management, and administration and finance. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

The operation's system of internal control was assessed as average. Although the majority of key controls were applied, the application of certain important controls lacked consistency or effectiveness. In order not to compromise the overall system of internal control, timely corrective action by management is required.

Programme management required immediate attention and improvement, mainly in regard to finalization of Sub-Project Monitoring Reports, financial monitoring and follow-up on external audit reports. Implementing partners' programme expenditures were not fully recorded in Management System Renewal Project (MSRP) and there were large outstanding cash balances (\$122,000 for 2006 and \$311,000 for 2007) against the implementing partners. No financial monitoring visits were undertaken during 2007 and although it was stated that each of the implementing partners received a monitoring visit during 2006, no reports evidencing this could be retrieved. Although external audit certificates with qualified opinions were received for all the five implementing partners, there was no follow-up action on any of the audit recommendations. The auditors' qualified opinion was mainly because of the significant expenditures not adequately supported and unauthorized over-expenditures.

Lack of control over the use of project vehicles and laxity in control over fuel expenditure noticed in the operations of one of the implementing partners, the Department of Home Affairs, deserves attention for remedial action.

Asset management did not get adequate attention in UNHCR Malawi. The Representation did not as yet know the aggregate value of its assets; the MSRP Asset Register was not kept in a complete and up-to-date manner; and Right of Use Agreements were not available for most of the assets held by implementing partners. The Local Asset Management Board has not functioned since 2006.

In the area of procurement, improvement was needed in obtaining competitive quotations, submitting cases to the appropriate contract committees and maintaining proper files documenting fully the procurement activities.

In administration and finance, the Representation generally complied with UNHCR's regulations, rules, policies and procedures. However, improvement is needed in the long outstanding receivables, i.e., staff advances (\$65,000) and value-added tax (VAT) recoverables (\$70,000).

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## I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations High Commissioner for Refugees (UNHCR) operations in Malawi. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. The main activity of the UNHCR Representation in Malawi was to assist the Government of Malawi in establishing asylum procedures and finding durable solutions for the country's 9,700 refugees based in Dzaleka refugee camp, mostly from the Great Lakes region. The sudden decision of the Malawi government in May 2007 to close Luwani refugee camp had an impact on the operation because over 3,000 refugees had to be moved to the only remaining camp, Dzaleka. Owing to security concerns in their places of origin, very few refugees were repatriated.
3. In 2006 and 2007, a total budget of \$5.6 million was allocated, including staffing costs administered by Headquarters, against which expenditure of \$5.3 million was reported. The Representation was working with five implementing partners. At the time of the audit, the number of staff working for the UNHCR Operations in Malawi was 17 including five United Nations Volunteers (UNVs).
4. Comments made by UNHCR are shown in *italics*.

## II. AUDIT OBJECTIVES

5. The purpose of the audit was to assess the adequacy and effectiveness of internal controls in programme management, supply chain management, and administration and finance. The main objectives of the audit were to assess:
  - (a) Effectiveness and efficiency of arrangements for programme management including monitoring of the implementing partners;
  - (b) Reliability and integrity of financial and operational reporting as well as information available in Management Systems Renewal Project (MSRP);
  - (c) Safeguarding of UNHCR assets against loss, misuse and damage due to waste, abuse, mismanagement, errors, fraud and irregularities; and
  - (d) Compliance with UNHCR regulations and rules, Letters of Instruction and Sub-Project Agreements.

## III. AUDIT SCOPE AND METHODOLOGY

6. The audit reviewed 2006 and 2007 programme activities under projects 06 & 07/AB/MLW/CM/201 with a combined total budget of \$3.3 million. The review covered the programme activities by implementing partners, Jesuit
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Refugee Services (JRS) and Ministry of Home Affairs (MHA), and direct UNHCR implementation.

7. The audit also reviewed the administration of the Office of the Representation in Malawi with administrative expenditure totalling \$0.5 million for the years 2006 and 2007, and assets, the acquisition cost and current value of which were yet unknown to the Representation.

8. The audit methodology comprised (a) review of policies and procedures, administrative guidelines, data available from MSRP, (b) interviews with responsible personnel, (c) analysis of applicable data, (d) physical verification, (e) assessment of effectiveness of controls, and (f) observations and verification of processes, as appropriate.

## **IV. AUDIT FINDINGS AND RECOMMENDATIONS**

### **A. Programme management**

#### Need for improvement in the finalization of SPMRs, financial monitoring and follow-up on external auditor's reports

9. In the opinion of OIOS, the area of programme management required immediate attention and improvement, mainly in regard to finalization of Sub-Project Monitoring Reports (SPMRs), financial monitoring visits and follow-up action on external audit reports.

10. The finalization and approval of SPMRs did not receive sufficient attention by the Representation. UNHCR staff members in Malawi were unable to record project closure in the new MSRP system for the years 2006 and 2007. The Representation did not obtain timely guidance and training, so that expenditures could be fully recorded and the sub-projects closed. Furthermore, the final 2007 SPMRs were submitted late by implementing partners. Three of the five final 2007 SPMRs were received only in June 2008, whereas the deadline for submission was February 15, 2008. At the time of this audit, the remaining two SPMRs were still to be received from the partners, Ministry of Health and World Relief Malawi. As a result of this, implementing partners' programme expenditures were not fully recorded in MSRP and there were large outstanding balances against the implementing partners: \$122,000 for 2006, and \$311,000 for 2007.

#### **Recommendation 1**

**(1) The UNHCR Representation in Malawi should ensure that all final Sub-Project Monitoring Reports are submitted in a timely manner, verified and recorded, and that programme staff are adequately trained to perform these tasks in the Management Systems Renewal Project.**

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11. *The UNHCR Representation accepted recommendation 1 and stated that it is being implemented. For 2006 and 2007 all SPMRs have been recorded in MSRP except one for JRS for 2006 (about \$30,000), which had a problem and Global Service Desk has been contacted for a solution. The recording of the SPMRs from the government partners in 2008 was delayed due to questionable expenditures. The only staff member in programme is fully trained. Training will have to be arranged for the new member of staff to be employed soon. Recommendation 1 remains open pending confirmation by the Representation that all SPMRs for 2006, 2007 and 2008 have been verified and recorded in MSRP.*

12. The required financial project monitoring was not conducted in 2007, and hence various weaknesses of implementing partners noted by OIOS and the external auditors were unknown to the Representation. For example, for the implementing partners reviewed, there were either no receipts, or payment vouchers could not be traced, to support a substantial portion of the expenditures reported. Also, the quality of supporting documents was not always satisfactory, and the controls in place over the use of project vehicles and fuel cards needed strengthening. The Representation explained that due to the increased workload in 2007 and the closure of Luwani Refugee Camp, no financial verifications could be undertaken.

13. For 2006, although the Representation indicated that financial monitoring was done once for each of the implementing partners, no report evidencing the monitoring could be retrieved.

#### **Recommendation 2**

**(2) The UNHCR Representation in Malawi should ensure that regular financial monitoring visits, at least twice a year, are arranged and monitoring reports issued, and that adequate action is taken on identified internal control weaknesses of implementing partners.**

14. *The UNHCR Representation accepted recommendation 2 and stated that as of this year, regular financial monitoring visits are being undertaken. The activity will be ongoing in 2009 and beyond. These visits have helped the implementing partners visited comply with terms of the sub agreements. Based on the action taken by the Representation, recommendation 2 has been closed.*

15. Although audit certificates with qualified opinions were received for all the five implementing partners, the Representation had not taken follow-up action on any of the external auditors' recommendations. The main reasons for the auditors' qualified opinion were their findings in regard to expenditures not adequately supported and unauthorized over-expenditures. There was a greater need for follow-up since no financial verification could be undertaken by UNHCR. These issues needed to be resolved before finalization of implementing partner expenditures.

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16. Furthermore, the external audit reports of the Sub-Projects were available belatedly in both years, because of the late hiring of the auditors. The 2006 reports were received in February 2008 (due date 31 July 2007) and the 2007 reports (due date 30 April 2008) were available only in draft in June 2008.

### **Recommendation 3**

**(3) The UNHCR Representation in Malawi should ensure that an external auditor is hired on time, and that all audit recommendations are followed up adequately and in a timely manner.**

17. *The UNHCR Representation accepted recommendation 3 and stated that the office is in the process of hiring an auditor to start work on 15 February 2009. The procedure to select external auditors started in January 2009. All implementing partners will be informed that they should comply with sub agreement's paragraphs related to external audit. The external audit will take place before the end of March 2009.* Recommendation 3 remains open pending confirmation by the Representation that all 2006 and 2007 audit recommendations have been adequately followed up and the status of implementation of these external auditor's recommendations have been tracked and recorded.

## **B. Implementing partners**

### External audit of implementing partners

18. OIOS met with the external audit team to discuss their audit scope, procedures and main findings. It was understood that the audit team's review covered 90 percent of the reported expenditures of all the five implementing partners. The team assessed that the accounting system and internal controls of implementing partners were generally satisfactory. Most of the findings relating to 2006 and 2007 pertained to unauthorized budgetary overruns (\$78,000) and inadequately supported expenditures (\$48,000). For example, at the Malawi Red Cross Society, the external auditor noted a budgetary overrun of \$14,000 (202%) in staff travel, which was far above the authorized overrun ceiling of 15%.

19. During a review of implementing partners, JRS and MHA, OIOS focused on the underlying reasons for some of the external auditor's findings, such as the inadequately supported expenditures, and on the areas hardly covered by the external auditor, such as the use of project vehicles.

### JRS - Incorrect recording of operational advances as expenses

20. An operational cash advance can only be recorded as expenditure when the relevant documentation supporting the expenditure has been received, verified and approved. However, JRS immediately recorded any cash amount given to its staff members for local purchases for projects as an expense instead of as an operational advance. The receipts for the purchases were sometimes not submitted by the staff members and the related expenditures lacked the proper

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third party evidence. Some of the inadequately supported expenditures of JRS in 2007 (\$3,400) could be a result of not using operational advances to hold staff members accountable.

#### **Recommendation 4**

**(4) The UNHCR Representation in Malawi should ensure that Jesuit Refugee Service stops recording any operational cash advance as expenditure until proper supporting documentation is received and approved.**

21. *The UNHCR Representation accepted recommendation 4 and stated that this issue has been discussed with JRS in a verification exercise that took place in October 2008 and corrective action has immediately been taken by JRS. Based on the assurances given by the Representation, recommendation 4 has been closed.*

#### MHA - Laxity in control over the use of project vehicles

22. Controls over the use of MHA's project vehicles needed strengthening. The logbook of the Dzaleka camp project vehicles for the year 2008 showed prima facie unjustifiably long distances travelled. For example, for daily journeys between Dowa and Lilongwe (distance of about 50 kilometres) during April 2008, the reported figures were as high as 282, 383, and 635 kilometres. It is not clear how many trips there were in a day and why each trip was not recorded separately, identifying the persons using the vehicle, in order to fully explain and justify the distance covered. Similarly, during the same month, for journeys between Dowa and Dzaleka camp (distance of about 10 kilometres) on some days, 188, 968 and 1225 kilometres were recorded. MHA could not explain the implausibly long distances reportedly covered. In OIOS' opinion, MHA lacked adequate planning of trips and control over the use of project vehicles.

#### **Recommendation 5**

**(5) The UNHCR Representation in Malawi should ensure that the Ministry of Home Affairs explains the implausibly long distances recorded in the project vehicle log books of the Dzaleka Camp, and institutes forthwith adequate trip planning and review as well as internal controls over the use of project vehicles.**

23. *The UNHCR Representation accepted recommendation 5 and stated that a letter and reminders have been sent to MHA requesting compliance with the recommendation, so far without response. It must be said here that the office sometimes has difficulties convincing the government to comply with some of the terms of the agreements. The issue was raised again during a meeting between UNHCR and the Commissioner of Refugees and his staff on 17 December 2008. The explanation given by the government was that the driver was semi-literate and did not understand. The Commissioner promised to ensure that officers adhere to the recommendation in future. Recommendation 5 remains open*

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pending confirmation by the Representation that adequate controls for trip planning and use of project vehicles have been implemented at MHA and verified by the Representation.

#### Lack of control over the refuelling of vehicles

24. OIOS found that MHA failed to keep proper track of the running cash balance on the fuel cards. A review of the available fuel receipts issued during February 2008 showed there were significant discrepancies between the ending and the beginning of fuel card cash balances on the same day or on consecutive days. For example, on 21 February 2008 the ending balance was recorded as MWK 83,287 (\$595) and the next available receipt recorded on 22 February 2008 indicated a beginning balance of MWK 70,155 (\$501), a difference of MWK 13,132 (\$94). Similarly, on 19 February 2008, there was a difference of MWK 16,760 (\$120) between two available receipts. MHA, not being able to explain these differences, thought that some receipts were misplaced. This lack of control over fuel expenditure coupled with the laxity in control over the use of the project vehicles deserves attention.

#### **Recommendation 6**

**(6) The UNHCR Representation in Malawi should ensure that Ministry of Home Affairs (MHA) immediately improves internal controls over refuelling of project vehicles by keeping a proper track of the running balance on fuel cards and securing all fuel receipts. The Representation should also ensure that MHA's fuel expenditure is adequately supported and unsupported fuel expenditures are disallowed.**

25. *The UNHCR Representation accepted recommendation 6 and stated that the Representation wrote to MHA pointing out large fuel expenses including trips which UNHCR deemed not related to UNHCR activities. UNHCR actually suspended second quarter funding to allow MHA to correct the expenditures. However, the funding was resumed to keep implementation going.* Recommendation 6 remains open pending confirmation by the Representation that adequate controls over the refuelling of project vehicles have been implemented by MHA and verified by the Representation, and furthermore, confirmation that fuel expenditures have been adequately supported and verified by the Representation.

### **C. Supply chain management**

#### Scope for improvement in procurement activities

26. Local procurement undertaken by the Representation in Malawi totalled approximately \$430,000 in 2007. OIOS reviewed the procurement procedures and practices followed. The review indicated that improvement was required in compliance with the requirement of submission to Local/Regional Contracts

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Committees (L/RCC), obtaining a number of quotations, and proper record-keeping. This is illustrated by the following findings:

- In 2007 the Representation procured transport services to move refugees from Luwani to Dzaleka camp from Siku Transport Ltd., for a total amount of \$55,000. This amount exceeded the Malawi LCC's authorization limit (\$50,000); the case should have been submitted to the RCC in the Regional Office Pretoria for approval.
- Five new boreholes were drilled in Dzaleka camp costing \$12,500, for which the Representation was unable to show more than one quotation.
- A new transit shelter was built in May 2007 at Dzaleka camp at the cost of \$9,750 for which no competitive quotation was obtained. The Representation explained that Kell & Mell Building Contractor, who had successfully completed previous construction work in the camp, was also entrusted with this work.

27. The Representation had not kept a proper procurement file or purchase order file and consequently, the supporting documents for procurement transactions were not always available. Sometimes, supporting documents had to be retrieved from personal files kept by staff. In some other cases, quotations or the engineer's reports supporting LCC's decisions could not be retrieved.

#### **Recommendation 7**

**(7) The UNHCR Representation in Malawi should strictly follow the UNHCR procurement procedures, especially in regard to obtaining competitive quotations and submitting cases to the appropriate Contract Committees, and should establish a proper procurement file fully documenting procurement activities.**

28. *The UNHCR Representation accepted recommendation 7 and stated that the office has always been getting quotations for deliberation by the LCC but the problem was that there was no proper procurement file. A proper procurement file is being established. All procurement of goods/ services above \$1,000 are submitted to the Local Contracts Committee. Those beyond the equivalent of \$50,000 are being submitted to Regional Contracts Committee in Pretoria. Based on the Representation's response, recommendation 7 has been closed.*

#### **Weaknesses in asset management**

29. The Representation did not as yet know the aggregate value of its assets. The MSRP Asset Register was not up-to-date, although a physical inventory was carried out in April 2008. While the data obtained from the physical count was kept in Excel tables, very little data was available on the acquisition date and the purchase price of the assets. Furthermore, completeness of the present Excel spreadsheet listing cannot be ascertained in the absence of any previous listing.

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30. The Right of Use Agreements were not available in most cases; UNHCR's ownership of assets procured by implementing partners has not been fully established in all cases. Out of some 80 asset items held by implementing partners, an agreement was available for only 15 assets.

31. Asset management has long been neglected in UNHCR Malawi. The Local Asset Management Board (LAMB) has not functioned since 2006. The recent physical inventory showed that half (14) of the UNHCR vehicles in Malawi were not operational. There was an urgent need for effective monitoring and follow-up action in order to ensure effective asset management.

#### **Recommendation 8**

**(8) The UNHCR Representation in Malawi should ensure that (i) the Local Asset Management Board is established, (ii) the Management Systems Renewal Project Asset Register is completed and updated and (iii) the Right of Use Agreement is concluded for all assets held by implementing partners.**

32. *The UNHCR Representation accepted recommendation 8 and stated that the LAMB was re-established in June 2008 and the MSRP Asset Register is being updated, assets in transit have been migrated into service (July 2008), and Right of Use Agreements were concluded for all motor vehicles with implementing partners. Right of Use Agreements for 2009 are being prepared. Recommendation 8 remains open pending confirmation by the Representation that the MSRP Asset Register is up-to-date and Right of Use Agreements have been signed for all assets held by implementing partners.*

#### **D. Administration and Finance**

33. In the areas of administration and finance, the Representation generally complied with UNHCR's regulations, rules, policies and procedures. OIOS assessed however, that improvement is needed in the recovery efforts relating to outstanding staff receivables and value-added tax (VAT) recoverables.

##### Improvement needed in outstanding receivables

34. UNHCR Malawi had medical, travel and operational advances dating from 2003 of \$65,000 outstanding against staff members, a large part of which related to staff members who had already left the Representation. Sixty-six percent of the total receivable amount was owed by three staff members who no longer work for UNHCR Malawi: index# 032871 (\$33,600), index# 576354 (\$3,200), and index# 648274 (\$5,900). In OIOS' view, there was a general lack of timely and regular monitoring of outstanding staff receivables.

35. Furthermore, the Representation had VAT recoverables dating from 2003 of \$70,000 outstanding. The Representation informed us that the Government of Malawi had suspended the reimbursement of VAT for some time, and only recently the process was reinstated.

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### **Recommendation 9**

**(9) The UNHCR Representation in Malawi should ensure that appropriate and timely action is taken to keep the receivable accounts up-to-date and in particular, to leave no outstanding recoveries relating to staff members who are no longer working for the Representation.**

36. *The UNHCR Representation accepted recommendation 9 and stated that submission of reimbursement of VAT paid is being prepared and will be submitted to the Malawi Revenue Authority through the Ministry of Finance. For medical advances paid by Regional Office, Pretoria on behalf of staff members on medical evacuation, the office has contacted Headquarters Finance Section and the Division of Human Resources Management to see how these advances can be recovered from the staff members concerned. Recommendation 9 remains open pending confirmation by the Representation that all long outstanding medical, travel and operational advances have been recovered from staff and confirmation that VAT recoverable amounts have been submitted to the Malawi Revenue Authority for reimbursement.*

## **V. ACKNOWLEDGEMENT**

37. We wish to express our appreciation to the Management and staff of UNHCR Malawi for the assistance and cooperation extended to the auditors during this assignment.

## STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	Recommendation	Risk category	Risk rating	C/O <sup>1</sup>	Actions needed to close recommendation	Implementation date <sup>2</sup>
1	The UNHCR Representation in Malawi should ensure that all final Sub-Project Monitoring Reports are submitted in a timely manner, verified and recorded, and that programme staff are adequately trained to perform these tasks in the Management Systems Renewal Project.	Operational	High	O	Confirmation by the Representation that all SPMR's for 2006 and 2008 have been verified and recorded in MSRP.	Not provided
2	The UNHCR Representation in Malawi should ensure that regular financial monitoring visits, at least twice a year, are arranged and monitoring reports issued, and that adequate action is taken on identified internal control weaknesses of implementing partners.	Operational	Medium	C	Action completed.	Implemented
3	The UNHCR Representation in Malawi should ensure that an external auditor is hired on time, and that all audit recommendations are followed up adequately and in a timely manner.	Operational	Medium	O	Confirmation by the Representation that all 2006 and 2007 implementing partner audit recommendations have been adequately followed up and the status of implementation of these recommendations have been tracked and recorded.	April 2009
4	The UNHCR Representation in Malawi should ensure that Jesuit Refugee Service stops recording any operational cash advance as expenditure until proper supporting documentation is received and approved.	Financial	Medium	C	Action completed.	Implemented
5	The UNHCR Representation in Malawi should ensure that the Ministry of Home Affairs explains the implausibly long distances recorded in the project vehicle log books of the Dzaleka Camp, and institutes forthwith adequate trip planning and review as well as internal controls over the use of	Operational	Medium	O	Confirmation by the Representation that adequate controls for trip planning and use of project vehicles have been implemented at MHA and verified by the Representation.	Not provided

Recom. no.	Recommendation	Risk category	Risk rating	C/O <sup>1</sup>	Actions needed to close recommendation	Implementation date <sup>2</sup>
6	<p>project vehicles.</p> <p>The UNHCR Representation in Malawi should ensure that Ministry of Home Affairs (MHA) immediately improves internal controls over refuelling of project vehicles by keeping a proper track of the running balance on fuel cards and securing all fuel receipts. The Representation should also ensure that MHA's fuel expenditure is adequately supported and unsupported fuel expenditures are disallowed.</p>	Financial	Medium	O	Confirmation by the Representation that adequate controls over refueling of project vehicles have been implemented by MHA and verified by the Representation, and furthermore, confirmation that fuel expenditures have been adequately supported and verified by the Representation.	Not provided
7	<p>The UNHCR Representation in Malawi should strictly follow the UNHCR procurement procedures, especially in regard to obtaining competitive quotations and submitting cases to the appropriate Contract Committees, and should establish a proper procurement file fully documenting procurement activities.</p>	Compliance	Medium	C	Action completed.	Implemented
8	<p>The UNHCR Representation in Malawi should ensure that (i) the Local Asset Management Board is established, (ii) the Management Systems Renewal Project Asset Register is completed and updated and (iii) the Right of Use Agreement is concluded for all assets held by implementing partners.</p>	Compliance	Medium	O	Confirmation by the Representation that the MSRP Asset Register is up-to-date and Right of Use Agreements have been signed for all assets held by implementing partners.	Not provided
9	<p>The UNHCR Representation in Malawi should ensure that appropriate and timely action is taken to keep the receivable accounts up-to-date and in particular, to leave no outstanding recoveries relating to staff members who are no longer working for the Representation.</p>	Financial	Medium	O	Confirmation by the Representation that all long outstanding medical, travel and operational advances have been recovered from staff and confirmation that VAT recoverable amounts have been submitted to the Malawi Revenue Authority for reimbursement.	Not provided

1. C = closed, O = open

2. Date provided by UNHCR Malawi in response to recommendations.