OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

UNHCR's arrangements for policy creation and dissemination

UNHCR needs to define policies, improve controls over their development and dissemination to support its decentralization of operations involving a large field based work force

10 June 2011
Assignment No. AR2010/160/01

United Nations ◉ Nations Unies

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

DATE: 10 June 2011

REFERENCE: IAD: 11- 00444

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

SUBJECT: **Assignment No. AR2010/160/01 - Audit of UNHCR's arrangements for policy creation and**
OBJET: **dissemination**

1.   I am pleased to present the report on the above-mentioned audit.

2.   The report does not incorporate your comments on the findings and recommendations as OIOS understands that discussions in UNHCR on the report's recommendations are on-going and are unlikely to be finalized before June 30. In these circumstances, and in order to not further delay the final report, the report has been released as final and the recommendations will be recorded as open, subject to further clarification by UNHCR. In order for us to close the recommendations, we request that you provide us with 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 in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Alexander Aleinikoff, Deputy High Commissioner, UNHCR
Ms. Erika Feller, Assistant High Commissioner (Protection), UNHCR
Ms. Janet Lim, Assistant High Commissioner (Operations), UNHCR
Ms. Karen Madeleine Farkas, Controller and Director, Division of Financial and Administrative Management, UNHCR
Mr. Jeffery Crisp, Head of Policy Development and Evaluation Service (PDES)
Ms. Linda Ryan, Senior Policy Advisor, Division of Financial and Administrative Management, UNHCR
Ms. Stephanie Rinville, Audit Coordinator, UNHCR
Mr. Nicholas Birch, Audit Coordinator Assistant, UNHCR
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Mr. Rohan Wijeratne, Board of Auditors
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit
Mr. Mario Baez, Chief, Policy and Oversight Coordination Service, DM
Ms. Irmina Jose, Research Assistant, OUSG, DM
Mr. Byung-Kun Min, Special Assistant to the USG-OIOS
Mr. Christopher F. Bagot, Chief, Geneva Audit Service, OIOS
Ms. Amy Wong, Programme Officer, Internal Audit Division, OIOS

INTERNAL AUDIT DIVISION

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"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).

CONTACT INFORMATION

DIRECTOR:
Fatoumata Ndiaye: Tel: +1.212.963.5648, Fax: +1.212.963.3388,
e-mail: ndiaye@un.org

DEPUTY DIRECTOR:
Gurpur Kumar: Tel: +1.212.963.5920, Fax: +1.212.963.3388,
e-mail: kumarg@un.org

CHIEF, GENEVA AUDIT SERVICE:
Christopher F. Bagot: Tel: +41.22.917.2731, Fax: +41.22.917.0011,
e-mail: cbagot@unog.ch

EXECUTIVE SUMMARY
Audit of UNHCR's arrangements for policy creation and dissemination

The Office of Internal Oversight Services (OIOS) conducted an audit of Audit of UNHCR's arrangements for policy creation and dissemination. The overall objective of the audit was to assess the adequacy of controls for the creation and dissemination of policies and procedures. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

Overall, controls over creation and dissemination of policies and procedures should be strengthened to support decentralization of operations involving a large field based work force. Complex policy environment, dealing with operational and administrative instructions and conceptual protection positions that are the prerogative of the High Commissioner requires establishing a formal policy management system. OIOS made the following recommendations to improve the policy creation and dissemination process:

- Define policies and other guidance documents and establish their relationship with other policy documents guiding the work of UNHCR;

- Develop a policy management framework providing guidance on approval, communication, implementation, and monitoring of policies;

- Allocate the responsibility for overseeing, maintaining and supporting policy development; and,

- Develop a system allowing easy access and search for policy and guidance documents.

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I. INTRODUCTION

1.   The Office of Internal Oversight Services (OIOS) conducted an audit of UNHCR's arrangements for policy creation and dissemination. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2.   UNHCR has around 7,000 staff working in 110 countries. To support this level of decentralized operation it developed a delegation of authority called the Global Management Accountability Framework (GMAF), which, *inter alia,* devolves responsibility for policies to the divisional level.

3.   UNHCR estimated that it had approximately 2,000 different policy, procedural and guidance documents, comprising policy papers, position papers, policy guidance, administrative policies, manuals, handbooks, discussion papers, guidelines, guidance, rules of procedures, and Standard Operating Procedures communicated through Inter Office Memorandums, Field Office Memorandums. The various types of policy documents developed are not restricted to internal policies governing how activities are carried out, such as policies related to supply chain management, asset management, to International Public Sector Accounting Standards (IPSAS) implementation, standard use of Information and Telecommunication (IT) equipment or Human Resources Management. UNHCR also has responsibility for developing polices in the area of protection such as urban refugees, internally displaced persons or climate change and forced migration. UNHCR therefore deals with a complex policy environment, dealing with operational and administrative instructions (rules and regulations) and conceptual protection positions that are the prerogative of the High Commissioner.

4.   This large spectrum of policies and procedures are disseminated throughout the organization by different ways, including email broadcasting and the UNHCR intranet (HCR Net), which need to take into consideration the field perspective and the necessary flow of information going from the Headquarters to the Field. All these policy documents constitute the backbone of UNHCR's operational and supporting activities guidance. They should provide the reference framework from which more detailed and targeted procedures and guidelines can be developed.

II. AUDIT OBJECTIVES

5.   The overall objective of the audit was to assess the adequacy of controls for the creation and dissemination of policies and procedures.

III. AUDIT SCOPE AND METHODOLOGY

6.   The audit, which took place between July and November 2010, covered UNHCR's policy creation and dissemination mechanisms for both administrative (e.g. financial, human resources, information and telecommunication, supply management, etc) and legal and operational (e.g. protection, programmatic, etc.) policies and procedures with an emphasis on administrative and operational policies.

7.   The audit involved various divisions and services at UNHCR Headquarters at various functional levels including Directors, Deputy Directors, Heads of Service and Policy Officers. Interviews were conducted with the Controller's Office and other sections of the Division of Financial and Administrative Management (DFAM) as well as the Policy Development and Evaluation Service (PDES), the Organizational Development and Management Service (ODM), the Division of Human Resources Management (DHRM), the Division of Information Systems and Telecommunications (DIST), the Division of Programme Support and Management (DPSM), the Division of International Protection (DIP), the Division of External Relations (DER), the Division of Emergency, Security and Supply (DESS), and Regional Bureaux.

8.   In the course of these consultations, the audit team met with 32 key policy players in 18 different interview meetings and performed a desk review of UNHCR's arrangements for policy development in comparison with good practice and arrangements in other UN entities.

9.   The audit covered four areas:
- Authority and responsibility for policy creation and dissemination;
- Policy identification and creation process;
- Policy dissemination process: communication and implementation strategy; and,
- Feedback, monitoring and review processes.

IV. AUDIT RESULTS

A. Policy management guidance

<u>Need for a definition of the various types of policies which are created</u>

10.   UNHCR has estimated that the number of policy and procedure related documents are now close to 2,000. The ability to control, identify, review and manage them in a decentralized environment calls for a policy management system to be put in place. Good practice suggests that such a system should define the policy and the relationship between the various policy types. This

provides a clear road map for both policy developers and managers tasked with implementing them.

11.   The formal definition of a policy is needed to help distinguish between the existing document types, which are called policy papers, position papers, policy guidance, administrative policies, manuals, handbooks, discussion papers, guidelines, guidance, rules of procedure, and standard operating procedures. The need for a definition can be best illustrated also by the concept of Inter Office Memorandum/Field Office Memorandum (IOM/FOM), which is understood to be a policy document while it is in fact only a communication vehicle.

12.   Formal definition of a policy would also enable to distinguish between the two very distinct types of polices at UNHCR, namely the higher level operational policies linked to the mandate and the protection role of UNHCR and the internal administrative polices governing achievement of goals.

> **Recommendation 1**
>
> **(1)   The UNHCR Administration should define policies and other guidance documents and establish their relationship with other policy documents guiding the work of UNHCR.**

13.   Recommendation 1 remains open pending receipt of details of the outcome of discussions ongoing within UNHCR at the time of issuance of this report.

Guidance on policy development is needed to ensure consistency and accountability for the different types of polices

14.   The Global Management Accountability Framework, developed by the Organizational Development of Management Service (ODM) in conjunction with UNHCR Divisions, defines a matrix of the Divisions' respective authorities, responsibilities and accountabilities (ARA's).   Responsibility for policy development is among them. This delegation is not supported by guidance on approval, communication, implementation and monitoring of policies.

15.   Policies are not supported with documentation explaining their purpose and expected benefits.   Such an assessment should be performed prior to developing a policy to provide assurance that the benefits outweigh the implementation cost. In addition, there was no mechanism to ensure that policy writers are informed of all policies being developed which could prevent from achieving synergies and increase the chances of potential duplication and waste of resources.

16.   The ARA matrix does not formally assign the responsibility or authority to Executive Management for approving policies. In practice, the approval mechanism followed the hierarchy of the supervisory lines. The final approval of the policy was given either by the High Commissioner (HC), the Deputy High Commissioner (DHC), or one of the Assistant High Commissioners (AHC's),

depending on whether the drafted policy addressed administrative, protection or general issues.

17.   The approving authority of each Division is clearly indicated in the ARA but not in the respective job descriptions of the staff with policy responsibilities. In practice, there were instances where policies developed within the same division were approved at different levels. For example, the recent Policy and Procedures on Assignment and Promotions – PAPS (IOM/FOM 033/2010), and the Policy on Performance and Appraisal Management System – PAMS (IOM/FOM 087-089/2008), were signed and endorsed by the HC while other human resources related policies (such as the Policy on Secondment, Loan and Transfer (IOM/FOM 048/2010) and the Policy on Special Leave Without Pay (IOM/FOM 047/2010) were signed by the Director of DHRM. The Policy on Refugee Protection and Solutions in Urban Areas (IOM/FOM 041/2010), on the other hand, was signed by the AHC (Protection) while most other protection policies have been signed by either the HC or the Director of DIP (such as the recent Policy Paper on Maritime Interception Operations (IOM/FOM 073/2010).

18.   Inconsistencies in the approval level of policies may cause misunderstanding of the importance or prevalence of a policy signed by the Director over the one signed by the HC. For instance, senior managers interviewed in the course of the audit acknowledged that a policy approved by the HC is considered by staff members to be of the highest level of importance while a policy approved at the division director level is considered of lesser importance, regardless of whether the policy is intended to have the same sensitivity or importance at the organizational level.

19.   Whilst the communication mechanisms raise awareness and ensure wide dissemination, they do not ensure that the targeted audience understands the intention of the communication. UNHCR's standard policy communication practice is the issuance of the IOM/FOM. However, IOM/FOMs are also used to announce organizational changes, official holidays, annual promotion sessions, changes in procedures, biannual compendia, obituaries and other headquarters and field communications that are not related to policies.

20.   Furthermore, UNHCR uses inconsistent approaches to communicate policies: sometimes policies are sent as a standalone IOM/FOM, while other times policies are introduced by a IOM/FOM with the policy document attached. UNHCR is also using broadcast and all-staff messages to communicate policies. As an example, the UNHCR Security Policy (updated in 2007) was distributed to all Bureau Directors and Representatives via UNHCR specific broadcasted email from the High Commissioner on 31 October 2007 and not through IOM/FOM although it had cross-organizational importance.

21.   There is no capacity within UNHCR to identify when the policies need to be replaced and updated which may prevent polices from being effective. The main impetus to update policies currently comes from staff feedback provided on an ad-hoc basis (for instance, the recent Internet Appropriate Use Policy (IOM/FOM 060-059/2009), issued by DIST, was prepared and disseminated on

an urgent basis after feedback from management about several cases of inappropriate usage of the internet connections in UNHCR offices).

Recommendations 2

(2)   The UNHCR Administration should develop a policy management framework providing guidance on approval, communication, implementation, and monitoring of policies.

22.   Recommendation 2 remains open pending receipt of details of the outcome of discussions ongoing within UNHCR at the time of issuance of this report.

Need to assign responsibility for overseeing, maintaining and supporting policy development

23.   Responsibility for maintaining and supporting policy documents at an organizational level was not assigned. There was no dedicated person for monitoring policies under development, providing guidance on policy development and assisting with communication and training needs associated with implementing polices. Such a role is needed to reflect the diverse and complex nature of policies under development, to support and oversee the decentralization of policy creation. Assigning the responsibility would provide assurance to senior management that polices are being developed and disseminated in accordance with UNHCR regulations and rules.

Recommendations 3

(3)   The UNHCR Administration should allocate responsibility for overseeing, maintaining and supporting policy development.

24.   Recommendation 3 remains open pending receipt of details of the outcome of discussions ongoing within UNHCR at the time of issuance of this report.

Need for a documents access system

25.   At the time of the audit, all UNHCR divisions are the custodians for the information stored on their dedicated intranet pages. Some of them have developed dedicated intranet pages for their policies, procedures and manual like DIST, DIP, and DHRM all in a different format and presentation. The intranet has also multiple locations where policy documents can be found like the IOM/FOM pages, the UNHCR Manual pages, the Refworld internet site (for protection related policies and position papers), and other e-location. This complex set of arrangements makes it difficult for staff to find documents they need easily.

Recommendation 4

(4)   The UNHCR Administration should develop a system allowing easy access and search for policy and guidance documents.

26.   Recommendation 4 remains open pending receipt of details of the outcome of discussions ongoing within UNHCR at the time of issuance of this report.

V. ACKNOWLEDGEMENT

27.   We wish to express our appreciation to the Management and staff of UNHCR 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[1]	Actions needed to close recommendation	Implementation date[2]
1	The UNHCR Administration should define policies and other guidance documents and establish their relationship with other policy documents guiding the work of UNHCR.	Governance	Medium	O	To be provided	To be provided
2	The UNHCR Administration should develop a policy management framework providing guidance on approval, communication, implementation, and monitoring of policies.	Governance	Medium	O	To be provided	To be provided
3	The UNHCR Administration should allocate responsibility for overseeing, maintaining and supporting policy development.	Governance	Medium	O	To be provided	To be provided
4	The UNHCR Administration should develop a system allowing easy access and search for policy and guidance documents.	Operational	Medium	O	To be provided	To be provided

1. C = closed, O = open
2. Date provided by UNHCR in response to recommendations.