



### Introduction

These standard operating procedures have been prepared to guide the OCHA response in cases of suspected misappropriation of funds by a partner contracted under OCHA-managed Country-based Pooled Funds (CBPF) including the Myanmar Humanitarian Fund (MHF).

While UN rules and policies on fraud are very elaborate in terms of cases involving fraud committed by UN staff<sup>1</sup>, the procedures for addressing cases involving partners were less defined. This SOP therefore summarizes and clarifies the responsibilities and steps to follow in cases of suspected fraud involving Partners. OCHA is leading UN Secretariat efforts to establish clear UN procedures and mechanisms to handle cases of partner fraud including the imposition of applicable sanctions. In this regard, it is important to note that the Sanction Review Committee, mentioned in the present document, is not yet established. However, the Department of Management, the Office of Legal Affairs (OLA), and other parts of the Secretariat have endorsed the need for the Sanctions Procedures, including the Sanctions Review Committee. The draft procedures are being reviewing and then the mechanisms to implement the sanctions procedures will be established.

### Applicability

These procedures are not applicable in cases where the partner has been the victim of criminal acts (such as looting, damage to projects, or confiscation of project materials) perpetrated by external actors. These procedures also do not apply to cases of misconduct involving an OCHA staff member.

In the event that a Partner, (NGO, UN agency) determines that an allegation of fraud or misappropriation involving MHF Fund is credible enough to warrant an investigation, it will promptly notify the HC and OCHA, to the extent that such notification does not jeopardize the conduct of the investigation, including but not limited to the prospects of recovery of funds or the safety and security of persons or assets. The HC and OCHA should also be provided regular updates, and at a minimum, be informed once an investigation is finalized and once potential follow-up actions are concluded (including actions regarding the recovery of funds).

OCHA is responsible for ensuring that all cases of alleged partner fraud and there are three options available to assess cases of alleged fraud:

- a) Internal investigation by the partner;
- b) Forensic review by an independent company; or
- c) OIOS investigation.

It is also important to note that:

- OIOS can launch its own investigation into alleged partner fraud at any time, and is not obliged to notify OCHA if it does;<sup>2</sup>
- There is no single or defined process on how to reach an amicable agreement;
- Where investigations relate to presumptive fraud or fraud, OCHA has an obligation to report the investigation report findings and conclusions to the Controller's Office.
- In turn, the Controller must report all cases of confirmed presumptive fraud and fraud to the Board of Auditors.

<sup>1</sup> Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat ST/IC/2016/25.

<sup>2</sup> OIOS does not investigate cases involving UN agencies or IOM, but can conduct a joint investigation with the respective investigation service

These standard operating procedures have been developed in order to ensure that the Humanitarian Funding Unit and the Head of Office have clear guidance on how to proceed if a case of alleged fraud involving a partner is brought to their attention. The actions described in this guidance are to be followed in consecutive order, and all steps are to be taken in close consultation with the Oversight and Compliance Unit (OCU) at the Funding Coordination Section (FCS) in New York. In line with the UN Fraud Policy, the Under-Secretary General is the responsible officer for managing all fraud cases and has discretion to handle cases as he or she deems appropriate. The Executive Officer has fiduciary accountability for the funds, and takes the key decisions regarding OCHA's institutional position on the type of investigation to conduct, and whether to refer the case to the Sanctions Review Committee. Each action will trigger the subsequent action. The maximum timelines for each action are set in relation to the previous action in number of working days. OCU will keep a record of all events and the actions taken. A flowchart is also attached to visualize the process and key actions.

The role of the Oversight and Compliance Unit is to guide the HFU throughout the process and to provide it with feedback on decisions from OCHA senior management at crucial junctures in the process. The order of the steps could be adjusted as necessary on a case-by-case basis, in consultation with the Chief of FCS. The steps may also need to be adapted over time to changing realities on the ground or to a specific case. A revised and updated version of these SOPs may be circulated to OCHA offices and Fund Managers over time once the sanctions review committee is established.

The OCHA Head of Office and the Humanitarian Coordinator advise on circumstances and conditions that need to be considered during the implementation of the SOPs and are consulted throughout the process and key decision points. The HC leads the communication with Partners including informing them of conservative measures, eligibility, and sharing the results of any reviews or investigations.

Each alleged fraud case will be unique with its own set of challenging circumstances, warranting flexibility in the approach while safeguarding fairness and transparency in seeking a resolution. The purpose of these guidelines is to provide a framework of actions and to ensure that responsibilities and actions taken are clear and timely, leading to a fair and equitable closure. Commitments OCHA has made towards other stakeholders and MHF donors on timely information-sharing are also reflected.

## I. Allegations or indications of suspected fraud/misuse

	Event/actions	Responsibility and comments	Timing
1.	<b>Indication of possible fraud</b> , corruption or misuse of funds comes to light. (Possible indicators: partner self-reports suspicions of internal fraud or corruption; critical findings from monitoring or financial spot checks; audits; complaints; non-refund of ineligible or unspent funds, notification by staff member, etc.)	Humanitarian Financing Unit to identify/monitor fraud indicators in consultation with Head of Office	-
2.	<b>The HFU examines the evidence available</b> (if appropriate including a <b>crosscheck with available partner</b> ) <b>and project information</b> (due diligence information, capacity assessment, proposal, financial and programmatic reporting, monitoring, and audit conclusions).  <b>Fund Manager prepares an analysis of available information.</b>	Fund Manager	Within 3* days (*days refer to working days throughout)
3.	<b>The HFU informs the Chief of Section, FCS of the suspected fraud</b> if the indications are sufficiently credible/serious to merit further examination. In principle, any credible allegations or indications of fraud should be further examined.	Fund Manager	Within 2 days

4.	<p>OCHA's <b>institutional position</b> on course of action is developed<sup>3</sup>. If a decision is made to conduct an inquiry, there are three options:</p> <ul style="list-style-type: none"> <li>a) <b>partner to conduct an internal investigation</b>, (mostly in cases of self-reporting)</li> <li>b) A <b>forensic review carried out</b> by an independent company, or</li> <li>c) An <b>OIOS investigation is triggered</b>.</li> <li>d) If cases where there is not sufficient credible information to warrant a fraud inquiry, but the partner's internal management needs strengthening, conservative measures may be imposed without an inquiry.</li> </ul>	EO (with support from Chief, FCS) and in consultation with HoO, HC and CRD Chief of Section as appropriate <sup>4</sup>	Within 5 days
5.	<p>A decision on the <b>imposition of conservative measures</b> on the partner is taken, which can be adjusted at a later stage depending on new information or findings.</p> <p>Conservative measures can include:</p> <ul style="list-style-type: none"> <li>a) Suspension and freezing of ongoing project(s), and require partner to return unspent funds;</li> <li>b) Freezing pending disbursement(s); while requiring completion of funded activities;</li> <li>c) Continued implementation and disbursements with increased control measures;</li> <li>d) Temporarily ineligible for funding;</li> </ul> <p>If partner has MHF operations in other countries, suspension and eligibility measures will need to be considered (if indications of International HQ fraud).</p>	HoO and Chief, FCS	At the same time as the decision to launch inquiry
6.	OCHA's USG informed.	Chief FCS prepares note for Corporate Programmes Division (CPD) Director.	Within 10 days (from point 4)
7.	<b>Partner to be informed</b> of allegations (if this does not jeopardize the inquiry), course of action and conservative measures taken by the HC. (An in-person meeting with partner may be appropriate as well)	Chief FCS to prepare (suspension) letter for HC (OLA to advise)	As soon as possible and within 20 days (from point 4)

<sup>3</sup> For the four country-based pooled funds where UNDP is Managing Agent, the UNDP investigation procedures will apply from the point that a decision has been made to launch an investigation. However, OCHA and the Humanitarian Finance Unit will provide support to the Humanitarian Coordinator and keep relevant donors informed on the investigative process and outcomes in line with this SOP.

<sup>4</sup> In cases involving allegations of collusion with OCHA staff, or other possible conditions, the information sharing will be restricted and/or adjusted

8.	<b>UNCT and MHF donors are informed</b> in cases where a forensic review or OIOS investigation will be initiated <sup>5</sup> . The notification should emphasize the confidentiality of the information. The same letter, prepared by Chief, FCS and signed by the HC, is sent to relevant local and capital level donors. <sup>6</sup>	Chief FCS to prepare donor letter for HC signature HC informs local donors at CO level; Chief, FCS sends same communication to donors at capital level	Within 20 days (from point 4)
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## II. An inquiry of the allegations is initiated:

Option A. Internal investigation conducted by Partner			
No.	Event/actions	Responsibility	Timing
1.	OCHA to request partner for <b>TOR for investigation</b> (may include possible OCHA participation) to ensure it will include: a) clear and reasonable timeline requirements for completion; b) type and manner of fraud committed (institutional, lone wolf, etc.), c) identification of perpetrators and d) quantification of monetary loss in view of a potential reimbursement to the Fund.	Fund Manager with support from Chief, FCS	Within 20 days
2.	Discussion to be held with partner if other donor or agency funds are at risk. If so, relevant donors and UN Agencies may need to be informed by the partner	Fund Manager and partner	While negotiating TOR for investigation
3.	<b>Internal investigation launched</b> within agreed timeframe.	Fund Manager to follow up with partner	Within 20 days
4.	<b>Results of internal investigation</b> shared and reviewed within OCHA.	Fund Manager to share with Chief, FCS, HoO to update HC	Upon completion of investigation
5.	OCHA and partner to <b>reach agreement</b> on follow-up measures to be taken by partner including e.g.: a) Legal actions against implicated staff; b) Notification of relevant national authorities; c) Strengthening of relevant internal (financial, procurement, distribution) procedures; d) Recovery and reimbursement of diverted funds.	Chief, FCS lead, in consultation with EO, HoO/Fund Manager and HC.	Within 20 days

<sup>5</sup> Donors are not informed by OCHA about successful amicable settlement involving internal investigation procedures with partner. This decision has been taken to encourage early self-reporting and minimize reputational and financial fall-out. Transparency and self-regulatory actions should be welcomed and facilitated when the partner is victim of internal fraud. The case will be included in regular updates to all donors twice per year on the overall number of cases and incidents, but will not identify the partner unless agreed by the partner.

<sup>6</sup> A sample format notification letter to the donors is attached for reference as an annex.

6.	OCHA decision on possible continued or lifting of <b>conservative measures</b> placed on partner: a) cancelation or reinstatement of project(s) b) eligibility status of partner for future funding c) adjustment risk rating (Performance Index)	Chief, FCS lead, in consultation with EO, HoO, Fund Manager and HC.	When the reimbursement of diverted funds has been received
7.	HC <b>informs partner</b> of adjustment of conservative measures imposed	HC with support Chief FCS (OLA to advise)	Within 15 days of decision taken
8.	If <b>no agreement is reached</b> with the Partner on the measures that need to be taken, OCHA to refer the case to the UN Sanctions Review Committee (SRC) for their review and recommendations on sanctions	EO with support from Chief FCS	Within 15 days of breakdown negotiations
9.	FCS <b>informs USG</b> of the outcome of the process	Chief FCS prepares note for Corporate Programmes Division (CPD) Director.	Within 15 days of the process being finalized
10.	If amicable settlement <b>unsuccessful</b> , HC informs <b>UNCT and AB</b> about the case and its referral to SRC	HC	Within 10 days of referral to SRC
11.	If amicable settlement <b>unsuccessful</b> , HC and FCS inform relevant local and capital <b>donors</b> about the case and referral to SRC. Chief FCS to prepare the letter, same letter sent to both local and capital donors.	HoO/Fund Manager and Chief FCS  HC -> Local donors Chief FCS -> Donor capitals	Within 10 days of referral to SRC
<b>Option B. Forensic Review by External Company</b>			
<b>No.</b>	<b>Event/actions</b>	<b>Responsibility</b>	<b>Timing</b>
1.	EO <b>contracts external forensic company</b> to conduct an investigation based on suspicions of fraud/misuse.	Chief FCS lead, supported by EO.	Within 20 days
2.	FCS to <b>develop TOR</b> of forensic review	Chief FCS	Within 20 days
3.	FCS <b>informs HoO</b> that the forensic review is underway. HoO <b>informs HC</b> .	Chief FCS, HoO	Within 5 days of signing contract
4.	Forensic review conducted by external company	-	-
5.	EO to receive draft <b>forensic review report</b> from company and shares it internally.	EO	Within 10 days
6.	<b>OCHA comments</b> sent back to forensic company.	Chief FCS	Within 5 days
7.	partner to have the <b>right to provide a response</b> , including counter-evidence and denial/admission of findings.	Chief FCS, through Fund Manager, provides draft report to partner	Within 10 days

8.	<b>Final Forensic Review</b> report to include partner response to be sent to EO.	Forensic Review company	Within 10 days
9.	OCHA to <b>review forensic review findings and develop its institutional position.</b>	Chief FCS lead in consultation with EO HoO/Fund Manager	Within 10 days
10.	OCHA to seek amicable settlement with the partner including on the reimbursement of misappropriated or unsubstantiated funds if appropriate	Chief FCS lead in consultation with EO, Fund Manager	Within 20 days
11.	If <b>no agreement is reached</b> with the partner, and sufficient evidence exist that a sanctionable action was committed, OCHA to <b>refer the case to the UN Sanctions Review Committee</b> for their review and recommendations on sanctions	EO with support Chief FCS	Within 15 days of break-down of negotiations
12.	OCHA's <b>USG is informed</b> on the outcome of the process (either terms of agreement or referral to SRC)	Chief FCS prepares note for CPD Director.	Within 15 days
13.	OCHA to <b>inform relevant donors, including MPTF if applicable</b> , on outcome of the Forensic review process (and possible referral case to SRC) and reimbursement of funds.	HC to local donors Chief FCS to capital level donors	Within 15 days
14.	HC to inform <b>AB</b> and <b>UNCT</b> on the outcome of the case	HC	Within 15 days
<b>Option C. OIOS investigation process</b>			
No.	Event/actions	Responsibility	Timing
1.	OCHA Executive Officer writes a <b>memo</b> to the Director of the <b>OIOS Investigation Division</b> requesting that a preliminary investigation be initiated.	EO (supported by Chief FCS), based on discussions with the HoO	Within 5 working days of decision to request investigation
2.	OCHA <b>provides all relevant information</b> on partner to OIOS.	Lead HoO Support from Fund Manager	Upon request OIOS
3.	OIOS submits <b>preliminary advisory report</b> to OCHA USG. The advisory report provides some insights into the preliminary investigation findings so OCHA may take appropriate measures <sup>7</sup> .	OIOS Director of Investigation Division	-
4.	OCHA considers the advisory findings. FCS prepares memo for Director CPD to <b>inform OCHA's USG</b>	Lead Chief FCS (in consultations with EO, HoO, FM and HC)	Within 10 days
5.	OIOS USG submits <b>full investigation</b> report to the OCHA USG. If the investigation found misappropriation, OIOS will usually recommend: I. Suspension of projects and future funding ineligibility; II. Recovery of funds; III. Referral to national authorities.	OIOS Director of Investigation Division	-

<sup>7</sup> OIOS does not consistently provide advisory reports, and often only submits the final investigation report.

6.	OCHA's <b>USG is informed</b> about the findings and conclusions of the investigation report.	Chief FCS prepares note for CPD Director	Within 10 days of receipt report
7.	OCHA <b>reviews findings</b> , conclusions and recommendations of the investigation.  OCHA <b>develops its institutional position</b> on each recommendation contained in the investigation report based on available information. (With advice from OLA as necessary).	Lead Chief FCS  Support HoO, Fund Manager and EO	Within 20 days of receipt of report
8.	<b>HC to inform the partner of the conclusions</b> and key findings with a request to discuss an amicable settlement.	Chief FCS to draft letter (OLA to advise)	Within 20 days of receipt investigation report
9.	If no response from partner, <b>follow-up letter requesting recovery of funds</b> 14 days after the above letter.	Chief FCS to prepare for HC signature	After 10 days
10.	OCHA informs <b>contributing donors</b> at the capital and local level of the key OIOS findings and recommendations. It will also include the steps that OCHA will take on the recommendations.  FCS to prepare the letter, same letter goes out to local and capital level donors	Chief FCS to prepare communication  HC to send letter to local donors, including MPTF if applicable. FCS to send letter to capital level donors	Within 20 days
11.	HC to inform the <b>AB and the UNCT</b> of the findings of the OIOS report	HC with Fund Manager	Within 20 days
12.	OCHA USG submits <b>formal response</b> (memorandum) to OIOS on each recommendation contained in the investigation report.	Chief FCS to prepare, CPD Director to review.	Within set OIOS deadline
13.	OCHA proceeds with addressing recommendations including <b>seeking the recovery of funds</b> through an amicable agreement	Chief FCS with EO	ongoing
14.	If <b>no amicable settlement</b> is reached with the partner, and sufficient evidence exist that a sanctionable action was committed, OCHA to <b>refer the case to the UN Sanctions Review Committee</b> for their review and recommendations on sanctions	EO with Chief FCS	Within 15 days of break-down of negotiations
15.	Regular <b>updates</b> on implementation progress of the recommendations/ amicable settlement shared with the OCHA's USG.	Chief FCS	As needed
16.	Upon closure of the case, the Humanitarian Coordinator (and the Administrative Agent if applicable) in collaboration with FCS, will <b>jointly inform donors on the status of the measures taken, including recovery of funds.</b>	Chief FCS to draft letter for HC (and MPTF) signature	Upon closure of the case

### III. Referral to Sanctions Review Committee<sup>8</sup>

	Event/actions	Responsibility	Timing
1.	OCHA to submit a <b>request for Notice of Sanctions Proceedings</b> to the Secretary of the Sanctions Review Committee (SRC) <sup>9</sup>	EO for USG	Within 15 days from breakdown amicable settlement process
2.	<b>Sanctions Review Committee</b> will <b>review submission</b> and determine if sufficient evidence exist on sanctionable action	SRC	Within 15 days from submission
3.	If no basis for sanctionable action is substantiated, SRC rejects submission	SRC	Within 10 days
4.	SRC to issue a <b>notice of sanctions proceedings</b> to partner	SRC	Within 15 days
5.	Partner will be able to respond, including providing counter-evidence and denial/admission of allegations.	partner	Within 30 days
6.	The investigative authority (either forensic auditors or OIOS) has a chance to reply	Forensic auditors/OIOS	Within 20 days
7.	Partner may provide a possible counter-reply	partner	Within 15 days
8.	Sanctions Review Committee will formulate (by majority vote) its recommendations on the imposition of sanctions on the Partner	SRC	
9.	Transmission of recommendations to USG	Secretary SRC	promptly
10.	USG to make a final decision on the imposition of the sanctions (non-appealable)	USG with support EO, Chief FCS	Within 30 days
11.	USG will notify partner of the imposed sanctions	USG	promptly
12.	Secretary will transmit a request to the Administrator of the UN Ineligibility list to add partner to the list for the determined timeframe	USG	promptly
13.	OCHA to inform HC, HoO and HFU of the sanctions decision	Chief FCS	Within 10 days
14.	HC to inform local donors, OCHA FCS to inform capital level donors of the sanctions decision	Chief FCS to prepare letter	Within 10 days
15.	Implementation of recommendations	Chief FCS and relevant Secretariat departments	-
16.	If funds are not recovered OCHA to start process of write off of funds with Controller's Office	EO	Within 20 days

<sup>8</sup> The current contracts with partners identify conciliation and arbitration as the legal procedure to resolve disputes and recover funds in a contested situation. However, a careful cost-benefit analysis of arbitration against a third party has indicated that likelihood of recovery of diverted funds is very low while the potential reputational impact and financial costs are significant. Therefore, OCHA is spearheading a new fraud sanctions procedure, involving a Sanctions Review Committee, which can impose sanctions such as indefinite debarment within the UN system. This approach has been endorsed by the Department of Management and the Controller's office, but has not yet been finalized and put in place.

<sup>9</sup> The Sanctions Review Committee will be made up of representatives of the Department of Management, Office of Legal Affairs and the relevant Department referring the fraud case.



17.	partner cannot appeal decision but may request early rehabilitation when minimum conditions are met.	Partner	-
18.	SRC will review all requests for rehabilitation and make a recommendation to the relevant USG.	SRC	Within 30 days
19.	USG will make the final decision on the rehabilitation.	USG	promptly
20.	Monitoring of recommendations and regular updates on implementation progress shared with OCHA's USG.	Chief FCS to prepare, CPD Director to review.	As needed

**Examples of sanctions that the SRC can impose include:**

- i. Reprimand
- ii. Conditional non-debarment
- iii. Debarment (with or without conditions)
- iv. Debarment with conditional release
- v. Permanent debarment
- vi. Restitution of lost funds or remedy
- vii. Referral

#### **IV. Rehabilitation and Eligibility after conditional debarment**

If a partner is barred with conditional release, at the end of the ineligibility period, the partner should demonstrate compliance with the imposed conditions.

	<b>Event/actions</b>	<b>Responsibility</b>	<b>Timing</b>
1.	Partner to submit documentation demonstrating compliance with all conditions and <b>request for release from debarment</b>	Chief FCS to review documents and EO to take decision	As needed
2.	If partner is released from debarment, the partner can be <b>considered for a new capacity assessment</b> based on the procedure established in the relevant fund	Fund Manager, in consultation with HoO and HC	In line with procedures in the relevant fund
3.	If the partner is recommended for a capacity assessment, the <b>Capacity Assessment will determine eligibility</b> and risk rating.	Fund Manager, in consultation with HoO and HC	In line with procedures in the relevant fund

## Abbreviations:

AB	Advisory Board
CO	Country Office
CBPF	Country-based Pooled Fund
CPD	Corporate Programmes Division
CRD	Coordination and Response Division
EO	Executive Officer
FCS	Funding Coordination Section
MHF	Myanmar Humanitarian Fund
MPTF	Multi-Partner Trust Fund
FM	Fund Manager
HC	Humanitarian Coordinator
HCT	Humanitarian Country Team
HFU	Humanitarian Finance Unit
HoO	Head of Office
OIOS	Office of Internal Oversight
OLA	Office of Legal Affairs
SRC	Sanctions Review Committee
UNCT	United Nations Country Team
USG	Under Secretary General

## **Annex A: Sample communications with donors**

### ***Sample Letter to donors upon initiation of investigation***

*Subject: Possible misappropriation of donor funds*

*Dear donor colleagues,*

*OCHA has requested/been informed that an investigation is initiated to look into possible (fraud or misappropriation) by personnel of PARTNER.*

*The investigation has been requested due to [description of the allegations]. The total value of the funds that are potentially at risk is \$xx. While the investigation is underway, OCHA has suspended all funding of projects by PARTNER.*

*In order to ensure the integrity of the ongoing investigation, please treat this information confidentially.*

*As soon as the investigation is concluded, we will inform you of the results.*

*Sincerely yours,  
Humanitarian Coordinator*

## **Sample Letter to donors after investigation including results and next steps**

*Subject: Investigation report of (agency) on fraud and misappropriation of donor funds by personnel of the (partner)*

*Dear donor colleagues,*

*We would like to inform you that OCHA has been officially notified that an investigation of (PARTNER), a partner contracted by OCHA, has been completed. The investigation was conducted by \_\_\_\_ at the request of (specify if relevant) in \_\_\_\_ when information was received that suggested a high possibility of fraudulent activities. The final investigation report was submitted to OCHA on \_\_\_\_.*

*(PARTNER) was funded to implement x projects from date to date at a total value of US\$ x.x million. The investigation assessed x of these projects which amounted to a total value of \$ x.x million. The conclusions drawn from the evidence presented in the investigation report are very serious and suggest that (PARTNER) has systematically misappropriated and concealed the diversion of project funds:*

### *Response to investigation by the Humanitarian Coordinator for Country X and (AGENCY)*

*(PARTNER) was suspended on date. All on-going projects were immediately suspended. No further activities with (PARTNER) have been approved and outstanding payments have been suspended.*

*The final investigation report was received on date and included recommendations directed to OCHA:*

*OCHA submitted its formal response on date and agreed to implement the recommendations contained in the report. As per the Standard Administrative Agreement between contributing donors and the xxx, OCHA will use its best efforts, consistent with its regulations, rules, policies and procedures to recover misused funds.*

*Recommendation 1 has been implemented as OCHA has not entered any agreements with (PARTNER) and will seek to eliminate engagement with staff identified in the report. OCHA initiated consultations on the remaining two recommendations to decide on an appropriate approach.*

*Recommendation 2.....*

*Confidentiality is a critical element of effective investigation processes. Therefore, information has only been disclosed as required by the legitimate needs of the investigation team and (PARTNER). Yet, OCHA has tried to be as transparent as possible without jeopardizing the effectiveness of the investigation.*

*At the time the investigation report was issued, the OCHA Head of Office met with contributing donors in field capital on date to inform them that the investigation had been concluded and the approximate scale of the detected fraud. The Advisory Board was similarly briefed by the HC on date. In addition, OCHA held a series of bilateral meetings with key donors on date in New York to further explain the status of the investigation. The HC for xxx informed donors on date about the current status of the follow-up to the investigation. OCHA continues to discuss with the Office of Legal Affairs to determine the best modalities to seek legal redress from (PARTNER).*

### *Managing Risk while providing humanitarian assistance in high-risk environments*

*Country X has long been considered one of the most insecure environments for humanitarian operations. Remote management modalities have been increasingly adapted by humanitarian*

*organizations to provide assistance in areas considered unsafe for international staff while shifting responsibilities for programme delivery to local staff or partners.*

*Allegations against partners contracted by the agency have and will always be taken seriously. In this context, it is important to underscore the challenges faced in delivering humanitarian assistance with restricted access for effective monitoring. OCHA endeavours to implement life-saving programmes in highly insecure and inaccessible areas while still ensuring that relevant and adequate oversight mechanisms are in place. The investigation of (PARTNER) demonstrates that OCHA is determined to ensure that donor funds are used for the intended purpose and that fraud and misuse of funds are intolerable for the humanitarian community.*

*As discussed with donors and the advisory board, humanitarian operations in Country X will always be subject to financial and programmatic risks if assistance is delivered to people living in inaccessible areas with priority humanitarian needs.*

*OCHA has made significant progress in implementing an approach to risk management in Country X. A comprehensive accountability framework has been implemented since date which has the following key components:*

*(1)*

*(2)*

*In addition, OCHA is...[describe other relevant actions]*

*Bearing in mind the high risk operational environment, we are confident that the enhancements to the risk management process, outlined above, will reduce the likelihood and limit the magnitude of such cases in the future.*

*As the humanitarian needs in Country X remain high, we count on your continuous support of Country X.*

*Sincerely yours,*

*Humanitarian Coordinator*

**Sample Letter to Partner after concluded investigation involving misappropriation or unsubstantiated funds**

Dear .....,

*I am writing regarding [partner] projects that were funded by the [country] Humanitarian Fund (HF).*

*The United Nations Office of Internal Oversight Services (OIOS) is currently conducting an independent investigation of humanitarian aid projects conducted by [partner] in [country].*

*As you will recall, [partner] was contracted to implement [number and references of projects] between [year] and amounting to a total value of US\$ [inset total project budget] of which US\$ [insert total amount allocated to date] has been disbursed.*

*As the custodian of the [country] HF, I am informing you that pending the outcome of the OIOS investigation, all of [Partner's] funded agreements are suspended and the HF will withhold payments on the outstanding disbursements of the allocated grants (as per the grant agreements article XIII para. 2 and 3). Also during the ongoing investigation, [partner] will be ineligible for future HF funding. The eligibility of [partner] will be reviewed upon completion of the investigation.*

*When the investigation is completed, I will inform you of the findings and will convene a meeting to discuss the way forward with respect to our partnership related to the [country] Humanitarian Fund.*

*Please note that nothing in this letter shall be deemed a waiver, express or implied, of the privileges and immunities of the United Nations, which the United Nations is maintaining in respect of this matter.*

*Sincerely,  
UN Resident and Humanitarian Coordinator*