



OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

Ground fleet management in UNMIS

Lack of management capacity has impacted the work of the Transport Section

24 April 2009

Assignment No. AP2008/632/12

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. Ashraf Jehangir Qazi
A: Special Representative of the Secretary-General
United Nations Mission in Sudan

DATE 24 April 2009

REFERENCE: IAD: 09- 02392

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

Fatoumata

SUBJECT: **Assignment No. AP2008/632/12 - Audit of ground fleet management in UNMIS**
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, 3, 5 and 8 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., recommendations 6 and 7) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Nicholas Von Ruben, Acting Director Mission Support, UNMIS
Mr. Farid Zarif, Chief of Staff, UNMIS
Mr. James Boynton, Chief Integrated Support Services, UNMIS
Mr. Roberto Coling OIC, Transport, UNMIS
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INTERNAL AUDIT DIVISION

FUNCTION

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EXECUTIVE SUMMARY

Ground fleet management in UNMIS

The Office of Internal Oversight Services (OIOS) conducted an audit of ground fleet management in the United Nations Mission in the Sudan (UNMIS). The overall objective of the audit was to assess the adequacy and effectiveness of the management of the vehicle fleet at UNMIS. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

Overall, the Mission has a reliable and well maintained fleet of vehicles. However, the following opportunities for improvement were identified:

- The position of Chief, Transport Officer at the P-5 level has been vacant for three years, impacting the management of the Section. For example, no standard operating procedures have been developed to guide and direct staff;
- Forty-four vehicles were non-operational for more than a month due to the lack of spare parts;
- The accident/incident rate in the Mission was high despite the periodic driver awareness and safety programme. For the period from January to September 2008 there were 783 accidents that resulted in repair costs of almost \$180,000; and
- The CarLog system was not always effectively used for monitoring vehicle fuel consumption.

OIOS has made a number of recommendations to further strengthen existing controls and contribute toward improved vehicle fleet management in UNMIS.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of ground transport fleet management at the United Nations Mission in the Sudan (UNMIS). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. The operational activities of the Transport Section are guided by the Surface Transport Manual Procedures for the Field issued in September 2007 by the Surface Transport Section, Logistics Support Division, and Department of Field Support (DFS). As at June 2008, the Mission's ground fleet comprised a total of 2,379 vehicles of various categories valued at \$75 million. The operating budget and actual expenditure for the last two fiscal years are shown in Table 1.

Table 1: Transport Section operating budget

Fiscal year	Budget (\$000)	Actual expenditure (\$000)	Difference (\$000)
2006/07	5,910	4,995	915
2007/08	4,600	3,969	631
Total	10,510	8,964	1,546

3. The current staff strength of the Transport Section is shown in Table 2.

Table 2: Transport Section staffing resources (2008/09)

Staff category	Number of post approved	Number of posts filled	Number of posts vacant
Chief Transport Officer	1	0	1
Transport officer	7	5	2
Vehicle Technicians	106	98	8
Transport/Admin. Assistants	20	20	0
Drivers	153	151	2
Budget Assistant	1	1	0
Dispatchers	14	12	2
Total	302	287	15

4. The Transport Section is responsible for providing safe, efficient, reliable and a cost effective transportation system in support of UNMIS.
5. Comments made by UNMIS are shown in *italics*.

II. AUDIT OBJECTIVES

6. The main objective of the audit was to assess the adequacy and effectiveness of internal controls over the management of the vehicle fleet, in particular to assess whether:
 - (a) The Mission's vehicle fleet was sufficient to meet operational requirements;
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- (b) The vehicle fleet is well maintained and road worthy; and
 - (c) The measures established were effective in promoting safe driving.

III. AUDIT SCOPE AND METHODOLOGY

7. The audit covered the period from July 2006 to October 2008. It reviewed the adequacy of the number of vehicles, the maintenance programme and the allocation of vehicles to staff members. It also reviewed the administration of the Mission's driving programme. The audit did not include the management of vehicle spare parts and of the vehicle workshops, as these were reviewed as part of a separate audit.

8. The audit methodology included a review of relevant documents, analysis of applicable data and interviews with key personnel. Field visits to transport offices in the sectors, namely notably Juba and El Obeid were made.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Staffing to manage ground transport fleet

9. The UNMIS staffing table for the Transport Section has posts for a Chief Transport Officer (CTO) at the P-5 level and a Deputy Transport Officer at the P-4 level. At the time of the audit, the posts of the Chief and the Deputy had been vacant for three years. The Section is currently managed by the Officer-in-Charge (OIC) at the P-3 level. This lack of management capacity has impacted the work of the Transport Section. For example, standard operating procedures (SOPs) have not yet been fully developed to guide and direct staff. Moreover, if the lack of staffing capacity continues, there is a risk that operations will lack strategic direction.

10. The Mission explained that it is in the process of filling these positions. The selection of the Deputy Chief (P-4) was completed and submitted on 12 May 2008. Two attempts at selecting the CTO (P-5) failed due to lack of qualified candidates provided by DFS. A candidate has now been selected and the recruitment process has been initiated. Moreover, as the SOPs are in the process of being developed, no recommendation has been made.

B. Ground transport fleet utilization

11. The large size of the Mission's area of operation, as well as the poor terrain requires an adequate, reliable and well maintained vehicle fleet.

Current size of fleet

12. OIOS analyzed the current size, type and age of vehicles in the Mission based on statistics provided as at end of June 2008. With the 2,471 vehicles in its fleet, OIOS assessed that the Mission generally had a sufficient number of vehicles to meet its operational needs. Some shortfalls were noted between current requirements and the actual number of vehicles. This included a shortfall of 138 general purpose vehicles [deployed to African Union-United Nations Hybrid Operation in Darfur (UNAMID)], 20 pickup trucks and 37 delivery trucks. On the other hand, the Mission had 58 excess armored scout cars, and 50 surplus fuel trucks.

13. UNMIS informed OIOS that DFS has already responded to its request for replacement vehicles. These will be re-deployed from the United Nations Mission in Ethiopia and Eritrea (UNMEE), which was recently liquidated. Moreover, the Surface Transport Section, DFS has requested additional vehicles in the 2008-2009 and 2009-2010 budget in line with the vehicle establishment of the Mission.

Aging analysis of commonly used vehicles

14. The Surface Transport Manual provides that in the normal course of events, all vehicles will eventually reach the end of their economic life. It further states that the point a vehicle is no longer economical to continue to operate depends on the type of a vehicle. Generally, the economic life of a vehicle is a function of its age and the distance traveled.

15. OIOS reviewed the three main categories of vehicles used by the Mission, particularly general purpose vehicles, utility vehicles and buses, to ascertain whether they were within the economic life span capable of efficiently meeting operational requirements. About 98 per cent of general purpose vehicles and 100 per cent of utility vehicles and mini buses were within their respective economic life span.

Vehicle reserve policy

16. The Surface Transport Manual stipulates that the Mission's Vehicle Establishment Committee (VEC) shall define a minimum reserve of new or used vehicles to provide temporary support and/or to cover contingencies.

17. The VEC had not defined the required minimum reserve. The Mission took the position that in an emergency, the VEC would direct the removal of vehicles from day-to-day operations if required to meet unforeseen operational needs. OIOS does not agree with this approach, as it could have an adverse effect on operations during an emergency.

Recommendation 1

(1) The UNMIS Office of Mission Support should ensure that the Mission's Vehicle Establishment Committee defines

a minimum reserve of new or used vehicles to provide temporary support and/or to cover contingencies.

18. *UNMIS accepted recommendation 1 and stated that a reserve of vehicles for contingencies will be proposed to the VEC during its meeting to be held in May 2009. Recommendation 1 remains open pending the establishment of an adequate reserve of vehicles to provide temporary support that may be required during an emergency.*

Vehicle distribution

19. At Mission Headquarters, the VEC is the sole authority to define and approve the initial vehicle establishment for each section/unit, as well as for any amendments that may be required.

20. The Mission has a limited number of vehicles in Khartoum, and more vehicles are allocated to the El Obeid Logistics Base. The ratio of vehicles to staff in El Obeid exceeded the established staff/car ratio of one vehicle for every 2.5 persons. For 64 international civilian staff, they were allocated and using 58 vehicles. This ratio appears high, as most staff resides in the Logistics Base or in the UN compound, and they have easy access to their office. Due to this, it is more convenient for staff to share vehicles, as is the norm in Khartoum and other missions. Moreover, in Rumbek there are 10 international civilian staff using 10 vehicles.

21. The VEC at UNMIS Headquarters does not review the activities of the VEC in the sectors/field offices. The Mission explained that in the Integrated Support Services Section Chiefs meeting held on 20 November 2008, the Chief, Integrated Support Services (CISS) had addressed this by deciding that the sector VEC minutes are to be reviewed by the office of CISS for consistency and final approval by Director of Mission Support (DMS).

Recommendation 2

(2) The UNMIS Office of Mission Support should review the current vehicle distribution in El Obeid and Rumbek and redistribute vehicles according to the needs of the sectors.

22. *UNMIS accepted recommendation 2 and stated that vehicle distribution in all sectors has been reviewed by the VEC and vehicles have been allocated accordingly. Based on assurances provided by management, recommendation 2 has been closed.*

Surplus vehicles

23. As mentioned above there were a number of surplus vehicles. These include 58 armored scout vehicles, 23 forklifts and 50 fuel trucks which have never been used since their arrival in the Mission. Also, as the Mission has outsourced its fuel contract to a service provider, there was no immediate use for fuel trucks. OIOS was informed that UNMIS is waiting to transfer some of the

trucks to other missions and they have been recorded as such in Galileo. It is now the responsibility of DFS to redistribute them to other missions.

Recommendation 3

(3) The UNMIS Office of Mission Support should continue to liaise with the Department of Field Support with regard to the disposal of surplus vehicles in order to reduce its carrying cost and avoid wastage.

24. *UNMIS accepted recommendation 3 and stated that, in coordination with Surface Transport Section at UNHQ, the disposal of surplus vehicles is underway. Of the over 100 vehicles declared surplus to the Mission's requirements, 46 have been transferred to other missions including 32 armoured scout cars and 10 fuel trucks. Based on the ongoing action being taken by UNMIS, recommendation 3 has been closed.*

Disposal of vehicles

25. The Surface Transport Manual describes written-off vehicles as vehicles that are off the road and are unavailable for use due to unserviceability or any other reason. The Mission had in its records 64 vehicles for write-off. Of these, 16 had been approved by the Local Property Survey Board (LPSB) for disposal, 9 were sold to United Nations Mine Action Office (UNMAO) in Sudan and yet to be removed from the Galileo Assets Management System, 5 were recorded as stolen, 11 were pending a damage discrepancy report and 23 were pending write-off approval.

26. In the case of the vehicles sold to UNMAO, the Property Management Unit (PMU) indicated that since UNMAO is not linked to Galileo, it requires a copy of the official receipts or any documentation issued by the Finance Section to support an amendment made to the data in Galileo. According to PMU, the issue has been pending since 2006. In addition, the Property Disposal Unit (PDU) was only established and started functioning in 2008 leading to the late disposal of damaged and unserviceable vehicles in the mission.

Recommendations 4 and 5

The UNMIS Office of Mission Support should ensure that:

(4) The Transport Section, in coordination with the Assets Disposal Unit in El Obeid, expedites the necessary action to dispose of all written-off vehicles; and

(5) The Finance Section provides the necessary documentation to the Property Management Unit to update Galileo with regard to vehicles sold to the United Nations Mine Action Office.

27. *UNMIS accepted recommendation 4 and stated that in coordination with PDU all vehicles approved for write-off have been handed over to PDU for disposal. Recommendation 4 remains open pending confirmation that the process to dispose of written-off assets has been initiated.*

28. *UNMIS accepted recommendation 5 and stated that write-off requests for vehicles sold to UNMAO were approved. The Transport Section was coordinating with PMU, the Claims Unit and Property Control and Inventory Unit to update Galileo. Based on the action taken by UNMIS recommendation 5 has been closed.*

C. Ground transport fleet maintenance

Vehicles off-road

29. It is the responsibility of the Chief Transport Officer to ensure that the number of vehicles not road worthy is kept to a minimum. At any one time it is expected that some vehicles will be off the road due to accidents, undergoing repair work and routine maintenance. As of July 2008, 44 vehicles had been in the workshop for over one month due to the lack of essential and basic spare parts such as brake pads, batteries, clutch discs, tires and filters. This situation was caused by not maintaining sufficient operational level of basic spare parts. The Mission attributed the lack of essential spare parts to slow acquisition and delays in customs clearance at Port Sudan. OIOS noted that the Transport Section does not review the inventory levels on a regular basis to follow up in cases of delays. If this is not done, and if action is not initiated in a timely manner, operations may be adversely effected.

Recommendation 6

(6) The UNMIS Office of Mission Support should ensure that spare parts inventory levels are reviewed on a regular basis and action to replenish stocks is initiated in a timely manner to meet operational needs.

30. *UNMIS accepted recommendation 6 and stated that regular reviews of spare parts in coordination with motor transport officers are being conducted. This arrangement will be formalized and reviews will be conducted every quarter as per the audit recommendation. Recommendation 6 remains open pending verification that a formal review procedure of spare parts has been implemented.*

Workshop facility in Juba

31. The Transport Workshop in Juba did not have standard workshop facilities/equipment such as a lift to carry out the work effectively. The temporary structure used as the workshop was small and not sufficiently solid to support the required maintenance work. In addition, there was a lack of adequate security, as the workshop had not been fenced off to prevent access by unauthorized personnel. The Transport Supervisor reported that the Juba workshop had been experiencing theft/pilferage of tools and fittings including car

radios. OIOS is pleased to note that the Mission is constructing a new workshop, where the security concerns will be addressed. As a result of the action taken, no recommendation has been made.

D. Safe driving and accident prevention measures

32. There were a large number of accidents in the Mission, indicating that safe driving rules were not always observed. From January to September 2008, there were 783 accidents/incidents involving national and international civilian staff resulting in 30 vehicles being written off and repair costs of \$179,186. Table 3 below shows the number of accidents and related cost of repairs per sector.

Table 3: Quarterly Accident statistics from January to September 2008

Location	Number of vehicles	Total	Cost of repairs
Khartoum	506	330	\$65,237
El Obeid	58	27	8,181
Kadugli	160	40	7,480
Juba	292	111	32,548
Abyei	72	24	2,180
Wau/Rumbek	292	86	30,771
Malakal	230	62	11,689
Damazine	136	103	21,100
Total	1,746	783	\$179,186

33. Most of the 783 accidents/incidents resulted from human errors, which according to the Transport Section could have been prevented or, at least the number reduced, if drivers had exercised reasonable care and attention. Common causes identified included: (a) over speeding and failure to maintain a safe distance between vehicles; (b) driving without due care and attention, particularly while overtaking and parking; (c) confusion regarding priority/right-of-way, and lack of experience in the use of four-wheel drive; and (d) driving under the influence of alcohol, or use of mobile phones and other electronic devices while driving.

34. The Mission has been conducting driver awareness and safety programmes twice a year. However, considering the level of accidents, the Mission reconstituted its Advisory Committee on Traffic Safety (ACTS). The ACTS is responsible for advising the DMS on matters arising from road traffic accidents involving UN vehicles including the prescription of sanctions against drivers that are found culpable. Since the re-establishment of the committee, the Mission has taken action to withdraw and suspend driving permits of frequent offenders.

35. Moreover, according to the Transport Section, it offered defensive driving training for national staff to improve their driving skills, and intends to

launch a more aggressive campaign on traffic safety and accident prevention. By the end of the audit fieldwork, the campaign had not started.

Recommendation 7

(7) The UNMIS Office of Mission Support should ensure early implementation of its defensive driving training to cover all UNMIS staff in order to reduce the rate of accidents.

36. *UNMIS accepted recommendation 7 and stated that sector motor transport officers, in February 2009, have been given refresher training on defensive driving by the Driving Training Unit in Khartoum. The sector motor transport officers will then impart training to other staff in an attempt to minimize the number of accidents. Defensive driving training courses for national drivers in Khartoum were conducted in February and March 2009. Recommendation 7 remains open pending verification by OIOS that staff have been sufficiently trained on defensive driving.*

E. CarLog system and ground transport fleet management

37. UNMIS uses the CarLog system to monitor the movement and performance of vehicles. However, over 400 vehicles, representing 17 per cent of total vehicles in the Mission did not have CarLog installed. According to the Transport Section, the vehicles without CarLog are mostly in the sectors, particularly Wau and Malakal where the CarLog system is not available due to lack of the necessary information technology (IT) equipment. The non-installation of CarLog may prevent the Mission from monitoring vehicle usage, following service schedules, as well as monitoring fuel consumption and driver use.

Recommendation 8

(8) The UNMIS Office of Mission Support should ensure that CarLog is installed on all vehicles to monitor the vehicle usage, service schedules and fuel consumption of the fleet.

38. *UNMIS accepted recommendation 8 and stated that CarLog units have been installed on 71 vehicles and that installation on the remaining vehicles has been delayed due to customs restrictions on the importation of the necessary spare parts. Also, monthly fuel consumption report captured by CarLog is currently sent to the Fuel Unit for reconciliation and monthly reports for vehicle usage including service schedules are sent to respective sectors for review and for further action to control vehicle usage. Based on the action taken by UNMIS, recommendation 8 has been closed.*

Effectiveness of CarLog in monitoring fuel consumption of vehicles

39. CarLog was not capturing adequate and reliable data for reconciliation of fuel consumption versus mileage driven. According to the Transport Section,

each driver is responsible for ensuring that fuel taken at Mission's designated filling point is entered into CarLog.

40. OIOS reviewed the operational information from CarLog for 40 vehicles from January to June 2008 located in Khartoum. Only 5 per cent diligently followed the correct procedures for fueling vehicles, although 85 per cent were partially compliant meaning that the fuel taken from designated filling points were not always entered into the system. OIOS noted some serious omissions. For example, vehicle numbers UN 00432 and UN 00464 covered 8,254 and 10,736 kilometers from January to June 2008, respectively but the quantity of fuel pumped into the vehicles was not recorded. On follow-up with the some of the drivers, it was found that drivers were either unaware of their responsibilities with regard to recording data or had not been shown how to use Carlog.

41. The Mission issued a broadcast on 4 September 2007 and again on 20 November 2008 to inform all drivers of their responsibility to enter fuel quantities in CarLog when the vehicle is refueled. The audit observed improvement, but there were still cases of drivers not recording the fuel usage in their respective CarLog. As a result, another broadcast was made emphasizing the importance of this control, informing staff that drivers who do not comply with the instructions will have their driver permit withdrawn. OIOS takes note of the action taken by the Mission to address this issue and will follow up in future audits to check for compliance.

V. ACKNOWLEDGEMENT

42. We wish to express our appreciation to the Management and staff of UNMIS 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 UNMIS Office of Mission Support should ensure that the Mission's Vehicle Establishment Committee defines a minimum reserve of new or used vehicles to provide temporary support and/or to cover contingencies.	Operational	Medium	O	Establishment of vehicle reserve to provide temporary support that may be required during an emergency.	May 2009
2	The UNMIS Office of Mission Support should review the current vehicle distribution in El Obeid and Rumbek and redistribute vehicles according to the needs of the sectors.	Operational	Medium	C	Action taken.	Implemented
3	The UNMIS Office of Mission Support should continue to liaise with the Department of Field Support with regard to the disposal of surplus vehicles in order to reduce its carrying cost and avoid wastage.	Operational	Medium	C	Action taken.	Implemented
4	The UNMIS Administration should ensure that the Transport Section, in coordination with the Assets Disposal Unit in El Obeid, expedites the necessary action to dispose of all written-off vehicles.	Operational	Medium	O	Confirmation that PDU has initiated the process to dispose of written off assets.	Implemented
5	The UNMIS Administration should ensure that the Finance Section provides the necessary documentation to the Property Management Unit to update Galileo with regard to vehicles sold to the United Nations Mine Action Office.	Compliance	Low	C	Action taken.	Implemented
6	The UNMIS Office of Mission Support should ensure that spare parts inventory levels are reviewed on a regular basis and action to replenish stocks is initiated in a timely manner to meet operational needs.	Operational	High	O	Verification of the formalized procedures implemented for the review of the level of spare parts.	Implemented

Recom. no.	Recommendation	Risk category	Risk rating	C/ ¹ O ¹	Actions needed to close recommendation	Implementation date ²
7	The UNMIS Office of Mission Support should ensure early implementation of its defensive driving training to cover all UNMIS staff in order to reduce the rate of accidents.	Compliance	High	O	Full implementation of defensive driving training for all drivers	March 2009
8	The UNMIS Office of Mission Support should ensure that CarLog is installed on all vehicles to monitor the vehicle usage, service schedules and fuel consumption of the fleet.	Operational	Medium	C	Action taken.	Implemented

¹ C = closed, O = open

² Date provided by UNMIS in response to recommendations