

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. James Boynton, Director, a.i.
A: United Nations Support Office for AMISOM

DATE: 30 September 2011

REFERENCE: IAD: 11- 00605

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

Fatoumata

SUBJECT: **Assignment No. AP2011/638/02 – Audit of operation at Mombasa Support Base**

OBJET:

Overall results relating to the management of UNSOA's logistical support to AMISOM were satisfactory

1. Attached please find the report on the above-mentioned audit.
2. Please note that while OIOS will not report on the implementation of the opportunities for improvement, we encourage you to implement them to improve the efficiency and effectiveness of your operations. OIOS will follow-up on their implementation as part of future audits.
3. Please note that under General Assembly resolution 59/272, a Member State may request that the final audit report be made available. Also note that, pursuant to General Assembly resolution 64/263, OIOS will include the complete management response as an appendix to the final version of the present report.
4. We wish to express our appreciation to the Management and staff of UNSOA for the assistance and cooperation extended to the auditors during this assignment.

cc: Mr. Elijah Karambizi, Deputy Director, UNSOA
Mr. Michael Hanrahan, Chief Technical Services, UNSOA
Ms. Cecilia McGill, Chief Administrative Services, UNSOA
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit
Mr. Seth Adza, Chief, Audit Response Team, Department of Field Support
Mr. Zachary Ikiara, Chief, Oversight Support and Coordination Unit, Department of Management
Mr. Moses Bamuwamye, Executive Secretary, IAAC
Mr. Byung-Kun Min, Special Assistant to the USG-OIOS
Ms. Eleanor T. Burns, Chief, Peacekeeping Audit Service, OIOS
Ms. Amy Wong, Programme Officer, Internal Audit Division, OIOS

AUDIT REPORT

Audit of operations at Mombasa Support Base

BACKGROUND

In August 2009, the United Nations Support Office for AMISOM (UNSOA) established its logistical support base at Mombasa, Kenya to provide the required logistical support to the African Union Mission in Somalia (AMISOM). The core activities of the Mombasa Support Base (MSB) include: (i) to receive, account for, process, hold and forward stocks to AMISOM based in Mogadishu and UNSOA in Nairobi; (ii) to act as the primary receipt and inspection point for United Nations-owned equipment (UNOE); (iii) to provide training facilities in support of UNSOA/AMISOM; (iv) to act as a communication hub for UNSOA; and (v) to carry out property disposal of UNOE. The MSB is undertaking routine shipping of AMISOM's consumable and non-consumable requirements, predominantly rations, engineering materials, supply and communications and information technology items, direct to Mogadishu every two weeks.

In the 2010/11 budget, the staffing approved for MSB was 116 posts and its annual operational budget was \$2 million excluding the cost of civilian personnel.

The audit was included in the OIOS' 2011 risk-based work plan due to the importance of MSB's operations in implementing UNSOA's mandate.

OBJECTIVE AND SCOPE

The audit was conducted to assess the adequacy and effectiveness of UNSOA's risk management, control and governance processes in providing reasonable assurance regarding the effective management of its logistical support to AMISOM. The key controls tested for the audit included those related to: (a) needs assessment; (b) regulatory framework; and (c) risk management and strategic planning. The audit covered UNSOA's activities related to the three key controls for the period 1 July 2010 to 15 May 2011.

AUDIT RESULTS

In OIOS' opinion, UNSOA's risk management, control and governance processes examined were **satisfactory** to provide reasonable assurance regarding the effective management of its operations at MSB in providing the required logistical support to AMISOM. UNSOA had conducted a cost benefit analysis to establish its logistical support base in Mombasa, Kenya at rented warehouses instead of developing its own warehousing facilities on a piece of land given free by the Government of Kenya. The MSB successfully and in a timely manner arranged 42 shipments of logistical supplies valued at \$50 million to Mogadishu. These shipments occurred every two weeks without disruption. Opportunities for improvement included: (a) to determine actual number of posts required at MSB; (b) to institute a proper monitoring mechanism on incoming shipments to avoid delays in clearing of goods and related storage and demurrage charges; and (c) to further promote awareness of occupational safety due to frequent movement of heavy vehicles and materials handling equipment.

ACKNOWLEDGEMENT

OIOS wishes to express its appreciation to the Management and staff of UNSOA for the assistance and cooperation extended to the auditors during this assignment.