



INTERNAL AUDIT DIVISION

OFFICE OF INTERNAL OVERSIGHT SERVICES

AUDIT REPORT

**Audit of Property Management at the
United Nations Office at Geneva**

31 July 2007

Assignment No. AE2006/311/02

United Nations  **Nations Unies**
INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR
INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE
OIOS · BSCI

TO: Mr. Sergei Ordzhonikidze, Director General
A: United Nations Office at Geneva

DATE: 31 July 2007

REFERENCE: AUD-*IAD* (07-*00389*)

FROM: Dagfinn Knutsen, Director
DE: Internal Audit Division, OIOS



SUBJECT: **Assignment No. AE2006/311/02 - Audit of Property Management at the**
OBJET: **United Nations Office at Geneva**

1. I am pleased to present the report on the above-mentioned audit, which was conducted from September 2006 to January 2007.

2. We have reviewed your comments and included them in the final report. In order for us to close the 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 critical recommendations 1, 2, and 3 in its annual report to the General Assembly and semi-annual report to the Secretary-General.

4. IAD is assessing the overall quality of its audit process and kindly requests that you consult with your managers who dealt directly with the auditors and complete the attached client satisfaction survey form.

cc: Ms. Aminata Djermakoye, Director of Administration, United Nations Office at Geneva
Ms. Emmanuelle Dupont, Audit Focal Point, UNOG
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Mr. Jonathan Childerley, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Programme Officer, OIOS
Ms. Corazon Chavez, Acting Chief, Geneva Audit Service, OIOS

INTERNAL AUDIT DIVISION

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).

CONTACT INFORMATION

DIRECTOR:

Dagfinn Knutsen, Tel: +1.212.963.5650, Fax: +1.212.963.2185,
e-mail: knutsen2@un.org

DEPUTY DIRECTOR:

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

ACTING CHIEF, GENEVA AUDIT SERVICE:

Coraon C. Chavez: Tel: 41 22 917 2395, Fax: 41 22 917 0138,
e-mail: cchavez@unog.ch

EXECUTIVE SUMMARY

Audit of Property Management at the United Nations Office at Geneva

OIOS conducted an audit of Property Management at the United Nations Office at Geneva (UNOG) from September 2006 to January 2007. The main objective of the audit was to determine if adequate controls over property management were in place to provide reasonable assurance that assets were properly accounted for, monitored and safeguarded in accordance with United Nations policies and procedures. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

UNOG is responsible for property management and inventory control of its offices and divisions, as well as for property management oversight and financial reporting for 17 United Nations entities in Geneva. Property is categorized as either expendable or non-expendable. For financial statement purposes, the value of non-expendable property of UNOG and its UN clients was \$49.5 million as of 31 December 2006. During the period from 1 January – 31 December 2006, the United Nations Office at Geneva had written off property valued at \$1.97 million.

UNOG needs to improve property management and inventory controls, fully implement United Nations policies, and transfer property management responsibilities to UNOG offices and its clients, as required under ST/AI/2003/5 “Property Management and Inventory Control at United Nations Headquarters”, and Geneva/OI/176 “Property Management and Inventory Control at the United Nations Office at Geneva” dated 28 February 2005. UNOG maintains a comprehensive database of all property regardless of dollar value, and provides the full range of property management services, which is beyond its span of control, given the small size of the Property Control Unit (PCU), and the geographic dispersion of its clients. UNOG’s performance of day-to-day property management and inventory control functions for both UNOG and its clients, contributed to lack of accountability by programme managers, and to inaccurate and unreliable inventory records and financial reports. To improve overall property management and inventory controls, OIOS recommends that UNOG:

- Transfer the responsibility and accountability for property management and inventory control from UNOG PCU to the responsible UNOG divisions and clients and provide the necessary oversight;
- Require UNOG divisions and clients to conduct physical inventory of non-expendable property; and
- Improve the reliability of financial reporting of its non-expendable property in regards to inventory.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of property management at the United Nations Office at Geneva (UNOG) from September 2006 to January 2007.

2. The Division of Administration has responsibility for property management at UNOG. Within the Division of Administration the Central Support Services (CSS) is the office designated for providing oversight of the property management functions, and the Property Control Unit (PCU) with a staff of four employees, is responsible for day-to-day property management operations.

3. PCU is responsible for all aspects of inventory control that include maintaining the automated property management database, submitting financial information to the Financial Resources Management Service (FRMS), Division of Administration, for inclusion in the biannual/annual financial statements, and conducting physical inventory. UNOG provides property management services for UNOG offices and 17 United Nations entities based in Geneva, including their field offices located throughout the world.

4. Property is categorized as either expendable or non-expendable. For financial statement purposes, the value of non-expendable property of UNOG and serviced entities was \$49.5 million as of 31 December 2006. During the period from 1 January to 31 December 2006, UNOG had written off property valued at \$1.97 million.

II. AUDIT OBJECTIVES

5. The major objectives of the audit were to evaluate if adequate controls over property management were in place and to ensure that assets were properly accounted for and monitored in accordance with United Nations policies and procedures, and that there was reasonable assurance that assets were safeguarded. Specifically, we determined if:

- (a) Controls over inventory were adequate and functioning to ensure proper accountability and reliability of records and reports;
- (b) Periodic physical inventory was conducted in accordance with prescribed policies and procedures; and
- (c) Procedures for the write-off, sale or disposal of property as well as procedures for lost, stolen or damaged items were adequate.

III. AUDIT SCOPE AND METHODOLOGY

6. The audit reviewed UNOG property management policies and procedures, records and reports. The review included UNOG reports, supporting documentation and files for calendar years 2005 to date. The auditors obtained an overview and performed a walk-through of each aspect of property management. They evaluated the reliability of a sample of data contained in the automated

system for property management, and reviewed controls for safeguarding assets. The auditors also compared UNOG property management policies and procedures with those established at United Nations Headquarters in New York (UNHQ).

7. The auditors conducted discussions with staff from PCU, the receiving department, and representatives of the Local Property Survey Board. In addition, the auditors reviewed other property management reports, minutes of the Local Property Survey Board, and the UNOG insurance policy and coverage. Assessment of the automated system is not within the scope of this audit.

8. The audit findings and recommendations contained in this report were discussed during the exit conference held on 2 February 2007, with the Chief, PCU. A draft of this report was also shared with the Director of Administration of UNOG, whose comments received on 2 July 2007, are shown in *italics* where appropriate.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Property Management Oversight

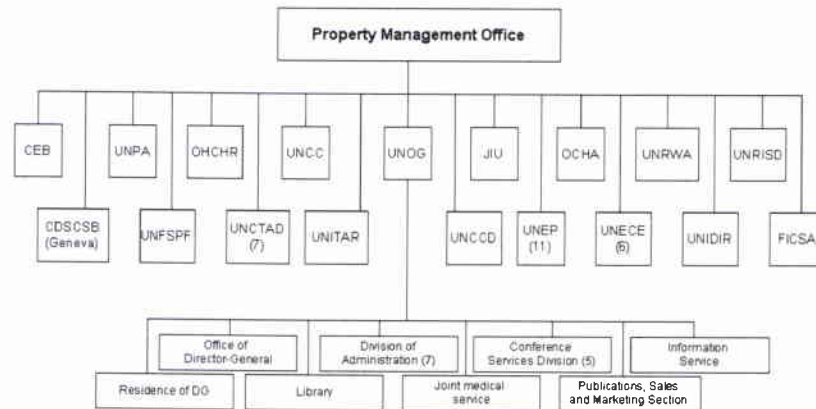
9. The CSS through the PCU had day-to-day responsibility for property management at UNOG, and for 17 UNOG clients located in Geneva (see Chart 1). At the time of our review, UNOG had not effectively implemented ST/AI//2003/5 “Property Management and Inventory Control at United Nations Headquarters”, and Geneva/OI/176 “Property Management and Inventory Control at the United Nations Office at Geneva” dated 28 February 2005, because UNOG had not transferred property management responsibility to UNOG offices and UNOG clients. In addition, the designated Property Records Custodians (PRCs) were not functioning as required. Instead, a staff of four employees within the Property Control Unit (PCU) carried out most of the day-to-day property management and inventory control functions for both UNOG, and UNOG clients. This situation raises the risk of lack of accountability by programme managers for property entrusted to them and the risk of inaccurate, incomplete, and unreliable inventory records, and the related submission of financial data for UNOG and its UN client entities. To improve overall property management and inventory control, UNOG needs to provide full oversight of the property management and inventory control process to UNOG divisions, offices and units and to UNOG clients. It therefore needs to transfer the responsibility and accountability for property management and inventory control to the responsible divisions and clients, require UNOG divisions and clients to conduct physical inventory of non-expendable property, improve the reliability of financial reporting in regards to inventory, and require UNOG divisions and clients to conduct physical inventory of non- expendable property.

10. According to Geneva/OI/176, the CSS “... shall be responsible for the oversight of central inventory of property at the United Nations Office at Geneva, including the formulation of policies and procedures and the coordination of the

physical inventories conducted by departments and offices ...” The Geneva office instruction further reiterated the delegation of authority and requirements by stating “... the responsibility for maintaining records, and making arrangements for the conduct of physical inventories in respect of property assigned to, currently used by or acquired by each United Nations office based in Geneva is delegated to the head of the office concerned. The head of the office shall be responsible and accountable ...”

11. The UNOG CSS has not implemented this office instruction. Instead, PCU has attempted to perform the day-to-day functions of property management for UNOG and its clients. Chart 1 depicts the UNOG offices, and 17 UNOG clients to whom the PCU staff provided property management services.¹

Chart 1 – PCU Clients²



12. Given the number of clients, geographic dispersion of some clients with field offices and operations, and the volume of property procurement at UNOG, it is unrealistic for the PCU staff of four to bear the major responsibility for day-to-day property management. Even attempting to do so is beyond UNOG’s span of control. The PCU staff should not be solely responsible for ensuring that UNOG clients follow United Nations Regulations and Rules. Rather, UNOG has to exercise its designated role and provide oversight of the property management process in order to ensure the implementation of Geneva/OI/176. Furthermore, in its oversight role, UNOG needs to provide the necessary policies, technical guidance, and tools as specified in ST/AI/2003/5 and Geneva/OI/176.

13. UNOG should consider having one designated focal point from each UNOG division, service or unit, and one designated focal point from each client to be responsible for day-to-day property management, conducting physical inventory, maintaining records, and the validation of year end financial related reports. This will decrease the UNOG span of control by minimizing the

¹ The numbers in parenthesis represent the number of Property Record Custodians that the PCU staff had direct contact with in order to perform property management functions. There may have been multiple contacts for OHCHR although the numbers are not shown.

² The PCU was renamed Property Management Office after the draft of the present report was issued. A detailed list of the entities and status of physical inventory is attached in Annex 2 of this report.

number of focal points necessary to coordinate the property management functions. It should then be the decision of each UNOG division, service, or unit and client to further delineate the responsibilities for property management within their organization by assigning additional PRCs. Chart 2 below reflects an overview of the current process and functions performed by the PCU, and by UNOG offices and clients. Chart 3 depicts a process that will be aligned with United Nations policies after transference of responsibilities.

Chart 2 - Current Process

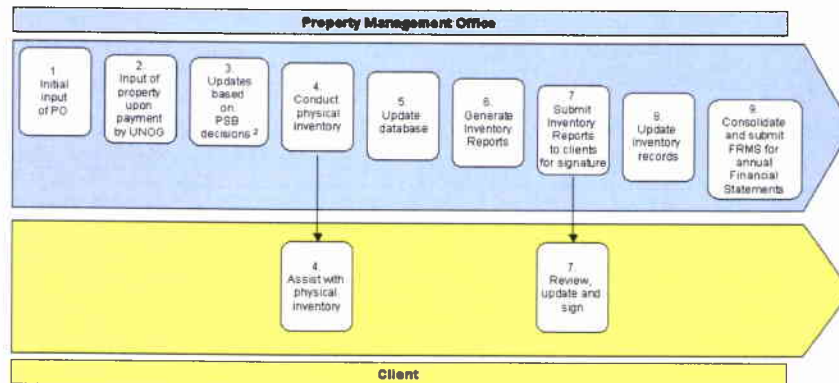
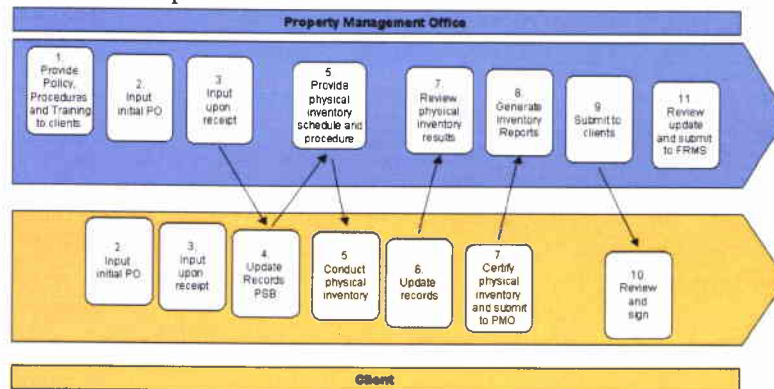


Chart 3 - Proposed Process



Recommendations 1 and 2

The UNOG Director of Administration should:

- (1) **Ensure that Central Support Services carries out its oversight responsibility over property management by providing policies, guidance and technical assistance to UNOG offices and United Nations client entities, as prescribed by ST/AI/2003/5 and Geneva/OI/176; and**
- (2) **Transfer the responsibility for the day-to-day property management functions to UNOG divisions and clients in accordance with ST/AI/2003/5 and Geneva/OI/176, and**

request one Property Records Custodian focal point for each client and division within United Nations Office of Geneva.

14. *UNOG Administration accepted recommendation 1 and stated that most policy, guidance and technical assistance will be provided through training to Property Record Custodians (PRC), and on an ad hoc basis. Recommendation 1 remains open pending receipt of a copy of a document showing completion of training of PRCs and copy of property management policies and guidelines.*

15. *UNOG Administration accepted recommendation 2 and stated that the number of PRCs has been designated and the responsibility for the day-to-day property management functions will be transferred to the client entities once the joint inventory control exercise has been completed. In other entities where the responsibility has been assigned to more than one PRC, the PCU will request that a single focal point per client entity be identified to act as sole counterpart. Recommendation 2 remains open pending receipt of copies of documents showing designation of focal points for each office and client entity, and transfer of property management responsibilities.*

B. Property Records Custodians

16. On 21 September 2004, UNOG adopted ST/AI/2003/5 "Property management and inventory control at United Nations Headquarters," for the Geneva environment, and issued Geneva/OI/176 on 28 February 2005. According to ST/AI/2003/5, Section 3.1, "Each head of department or office shall designate a Property Records Custodian as the focal point for the Facilities Management Division. The Property Records Custodian shall be responsible for keeping records of all property assigned to his or her department or area of responsibility."

17. At the time of our review UNOG had identified 29 PRCs (chart 1) which were assigned to 48 entities (UNOG offices, divisions or UN agencies see Annex 2). Twenty-five entities had PRCs (one entity had five PRCs), and 23 entities had not assigned a PRC. The PCU issued letters to some offices, divisions and clients throughout 2005 and in late 2006, requesting a focal point for physical inventory. The letter mentioned that the focal points would also become the custodian and record keeper of their office's assets. While there was a list of PRCs for most of the entities, the PRCs were often not fully aware of their responsibilities and functions. In some cases they were not aware that they were the designated PRC, while some thought they were only designated for conducting physical inventory, and others stated they were no longer the PRC.

18. Section 3.2 of ST/AI/2003/5 states: "The Property Records Custodian shall be responsible for creating, maintaining and updating property and inventory control records, labeling property, monitoring the movement of property, recommending the disposal of obsolete and unserviceable property and conducting periodic physical inventories during each biennium."

19. The need to have well-trained and dedicated staff responsible for property management is critical to UNOG. UNOG had not provided formal

training to the PRCs, nor was there a plan in place to train them. The PCU representative stated that hands-on-training would be conducted upon implementation of the web-based version of the automated procurement system "Reality," which was modified for inventory control. The web-based system would enable the PRCs to access and update records for their area of responsibility. PCU did not see a need to provide training until deployment of the web-based system. However, the implementation of the web-based system had been delayed for several times, and it was unclear as to when the system would be fully functional.

20. While the web-based system may facilitate property management and inventory control, this should not preclude PCU from providing training to the PRCs. PCU stated that they had attempted to provide training on an individual basis, but the PRCs often cancelled because of other priorities. If the deployment of the web-based system is further delayed, UNOG and its clients should develop work arounds, or explore the use of other systems used by other United Nations offices such as the International Trade Centre and United Nations Office at Vienna.

Recommendations 3 and 4

The UNOG Director of Administration should:

(3) Ensure that Central Support Services (CSS) develop a formal training program for the designated Property Records Custodians. The deployment of the web-based inventory control system should not preclude CSS from conducting the training; and

(4) Work with UNOG divisions and clients to clearly delineate the property management and inventory control functions to be performed by UNOG divisions, units and clients, and those to be performed by the Property Control Unit.

21. *UNOG Administration accepted recommendation 3 and stated that an initial series of training courses will be given to already designated PRCs. Subsequently, training will be provided on an ad hoc basis to those needing it (new PRCs). Recommendation 3 remains open pending receipt of a document showing completion of initial training.*

22. *UNOG Administration accepted recommendation 4 stating that a document delineating the functions of the client and the PCU will be established whenever particular cases cannot be treated on the basis of valid administrative instructions and the Property Management and Inventory Control Handbook. OIOS will record recommendation 4 as implemented upon receipt of sample documents and on the delineation of property management and control functions of a client and the PCU.*

C. Physical Inventory

23. With the issuance of ST/AI/2003/5, United Nations Secretariat organizations were required to conduct physical inventory of non-expendable property every biennium. In 2005, UNOG attempted to conduct 100 percent physical inventories for some of its offices, divisions and client entities. As of 31 December 2006, inventories had been conducted for 34 of the 48 entities, and inventory was in process for four entities. Although PCU attempted to conduct physical inventory of various entities, it was often done at the convenience of the designated focal point. If the focal point was not able to conduct inventory at the specified time, it was postponed or an alternative time was not provided. In one case, physical inventory was conducted over the course of one year. As a result, physical inventory for UNOG divisions and client entities was delayed and incomplete.

24. When physical inventory was conducted, the PCU staff conducted it with assistance from the designated PRC, which is contrary to Geneva/OI/176 that requires the responsible office to conduct physical inventory, with PCU providing necessary tools and oversight. Given the small size of the PCU, it is not practical for the staff to participate in every physical inventory exercise. Their attempt to do so could have contributed to the problems of scheduling and conducting physical inventories. UNOG divisions and clients should be responsible for carrying out the physical inventory, and determining the necessary staffing requirements. During a spot check of UNOG inventory, OIOS found that for those organizations that had conducted a physical inventory, the OIOS staff was able to easily locate the items. On the other hand, for those entities that had not conducted a physical inventory, it was much more difficult to locate items.

Coverage of Property Tracking System and Physical Inventory Taking

25. UNOG tracks all property in the property management system "Reality", and has also attempted to conduct a 100 percent physical inventory of both expendable and non-expendable property. ST/AI/2003/5, Section 2.5 states that: "Information on expendable property is not required to be maintained in the property records and inventory control system. However, property and inventory control records may be maintained, at the discretion of the head of department or office concerned, for expendable property when such controls are deemed necessary for the efficient management of the operation concerned (e.g., equipment spare parts, technical equipment and replacement items such as tires and maintenance tools)." Section 3.6 of the same ST/AI provides that: "Each head of department or office shall ensure that a comprehensive physical inventory of supplies, equipment and other property of the United Nations is conducted every two years. Such inventories shall be coordinated and consolidated by the Facilities Management Division in order to make the property records available to controlling bodies. Special inventories may be conducted as needed."

26. UNOG may have construed the guidance to imply that a 100 percent physical inventory is required for all items. However, OIOS' interpretation is

that inventory is only required for non-expendable property (moveable items of equipment with original purchase cost of at least \$1,500). Inventory is also required for expendable property considered to be of an attractive nature and for special items. In accordance with United Nations Financial Rule 110.25 (b), the Controller determines the items for which records are maintained. It is at the discretion of UNOG management to decide whether, or not to include all inventory in the computerized tracking system, however, physical inventory should be conducted for all non-expendable and attractive items. Doing this will reduce the resources needed to conduct inventory.

Bar Coding and Facilitation of Physical Inventory

27. The use of bar coding to facilitate physical inventory is cited in ST/AI/2003/5. Although UNOG places bar-code labels on all property, PCU does not use the bar coding system to conduct physical inventory because the system is not compatible with "Reality". Therefore, UNOG manually conducts a 100 percent physical inventory. Conducting a 100 percent physical inventory manually may have been feasible 10 to 20 years ago, but with an increase in the number of items to track, this can be very tedious, time consuming, and inefficient for an organization with the vast oversight responsibility of UNOG, particularly when the PCU staff was performing this function instead of delegating it to the responsible offices and clients.

28. The universal code listing used by the United Nations contains tens of thousands of items, and the associated choices for similar items are numerous. For example, one activity may choose to identify an item in a very broad term, while another may choose a more detailed description. Items are constantly being purchased, disposed of or transferred. In the past, whereas property such as typewriters were kept for decades, presently, computers and laptops are generally disposed of every three years, and new attractive items such as digital cameras, video recorders and other electronic equipment all add to the workload. While OIOS commends the efforts of the PCU staff for capturing all items in the computerized system, attempting to track and conduct inventory is overwhelming, and UNOG needs to seriously explore the use of the scanners and bar-coding to conduct physical inventory of non-expendable property only.

29. UNOG could also consider alternative approaches such as narrowing the items by conducting inventory samples, and phased inventory. The need to consider alternative inventory taking approaches may be mitigated once UNOG transfers the responsibilities to the divisions and clients. However, for large offices, or clients it may still be practical. Nonetheless, if UNOG believes it is necessary to conduct a 100 percent physical inventory in order to establish a baseline (and before transferring responsibility to end users), UNOG might consider temporarily redeploying staff, using available posts for short-term assignments or hiring an outside firm to assist with this exercise, but it should first evaluate the necessity to conduct a 100 percent physical inventory.

Memorandum of Understanding

30. OIOS auditors reviewed Memorandums of Understanding (MOU) for four clients for whom UNOG provided property management services. The four MOUs required UNOG to maintain the official inventory record, and for the UNOG Local Property Survey Board (LPSB) to advise and make recommendations on the disposal of equipment. UNOG is reimbursed based on the number of items acquired and disposed. The MOUs did not specifically require UNOG to conduct physical inventory.

Recommendations 5 and 6

The UNOG Director of Administration should:

(5) Ensure that the Central Support Services provides specific guidance and a schedule for UNOG offices and clients to conduct inventory within a specified timeframe as prescribed by ST/AI/2003/5. The results of the physical inventory should be reconciled with the inventory records of Property Control Unit; and

(6) Explore the use of bar coding and scanning in order to facilitate conducting physical inventory, and consider alternative approaches to conducting a 100 percent physical inventory such as phased inventory taking, and inventory sampling, etc. To accelerate the process, UNOG could consider temporarily redeploying staff from other units, temporarily using available posts for short-term assignment, or hiring an outside firm, if UNOG deems it necessary to conduct a 100 percent physical inventory before transferring responsibilities to divisions and clients.

31. *UNOG Administration accepted recommendation 5 and stated that a calendar of activities will be established to allow regular control of client entity's inventories by the PCU. A report certifying the accuracy of the inventory will be issued to allow the entity's head to take appropriate action. Recommendation 5 remains open pending receipt of a copy of the guidance and schedule for inventory taking and copy of reconciliation of physical inventory results and inventory records.*

32. *UNOG Administration partially accepted recommendation 6 and stated that the use of code-bared labels is already in use. UNOG added that mobile code-bar readers and a computerized programme allowing comparison between recorded assets and those resulting from the physical inventory is to be created. Alternative approaches will be studied through exchanges of experiences and knowledge existing in UN and other entities. UNOG Administration also stated that the use of vacant posts as well as GTA is under consideration. Recommendation 6 remains open pending receipt of information on alternative approaches to conducting a full physical inventory taking.*

D. Recording and Reporting of Property

33. The failure to conduct physical inventory contributes to the unreliability of financial information submitted by the Central Support Service to the UNOG Financial Resources Management Section (FRMS) for inclusion in the United Nations financial statements. Furthermore, according to PCU, the “Reality” system cannot provide historical information. For instance, if an item was included in the records for a prior period, but later deleted, the balance would always show the item removed although at the date specified, the item was actually in the system. In addition, OIOS noted that the value of property was sometimes converted from Swiss Francs to US Dollars, and at other times there was no conversion. United Nations financial statements are reported in US Dollars.

34. PCU was not certain if the complete inventory for clients was recorded in the UNOG inventory control system and reported on United Nations financial statements. It was not clear to PCU if field offices located in Geneva are reporting property information to their headquarters entity, and in the case of clients whose headquarters are based in Geneva, if their records include all the assets of field offices. As a result, United Nations financial statements and other United Nations entities may be understated or overstated.

35. In order to provide financial information to FRMS for inclusion in the United Nations financial statements, PCU generated reports for each entity’s assets, and the dollar value of those assets. In addition to the reports, PCU sent a letter requesting that the responsible officer sign the letter and return it to PCU in order to certify that the information is accurate. Each entity was to review, reconcile, annotate differences and correct amounts, and return the reports to PCU along with the signed letter. PCU records showed that some offices simply signed the letter and made no annotations or adjustments to the reports, while some offices returned the report without signing the letter, and yet others did not return the letter or the report. UNOG needs to remind heads of offices of their obligation to make sure that the necessary information to ensure full accountability for assets entrusted to them, are provided to PCU. The training programme for the PRCs should also address this issue.

36. According to PCU staff, they recorded new acquisitions and purchases in the inventory records when full payment for property was made. As these practices do not provide adequate controls to ensure accountability and could distort the financial records and cause the omission of assets on the United Nations financial statements, they should be looked into and corrective actions done to ensure reliable records and reports. Other United Nations agencies or Secretariat offices such as the International Trade Centre and United Nations Office at Vienna have inventory tracking systems that may satisfy UNOG’s needs.

Recommendation 7

(7) The UNOG Director of Administration should require Central Support Services to look into the use of alternative

property management tracking systems that would improve the reliability of UNOG's inventory recording and tracking and to ensure that the non-expendable property figures in US Dollars are then recorded into the system. UNOG should also remind heads of offices of their obligation to fully account for the assets entrusted to them and to provide the necessary information to the Property Control Unit.

37. *UNOG Administration accepted recommendation 7 and stated that maintaining financial information on assets' value in currencies other than US Dollars will be discontinued. The provision of information to the PCU on assets acquired by client entities through means other than traditional ones will be the responsibility of the entity's head or the local PRC. Thus the records will match "Reality". UNOG will remind heads of offices of their obligation to fully account for the assets. Recommendation 7 remains open pending receipt of a copy of a document showing improvement in the reliability of UNOG's inventory recording and tracking and sample copies of reminders to United Nations heads of offices and entities and their relevant replies.*

V. ACKNOWLEDGEMENT

38. We wish to express our appreciation to the Management and staff of UNOG Division of Administration, and the Property Control Unit for the assistance and cooperation extended to the auditors during this assignment.

STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	C/ O ¹	Actions needed to close recommendation	Implementation date ²
1	O	Document showing completion of training of PRCs and copy of property management policies and guidelines.	2008
2	O	Documents showing designation of focal points for each office and client entity, and transfer of property management responsibilities.	2007/2008
3	O	Document showing completion of initial training.	2007/2008
4	O	Sample document on the delineation of property management and control functions of a client and the PCU.	As necessary
5	O	Guidance and schedule for inventory taking and copy of reconciliation of physical inventory results and inventory records.	2008
6	O	Completion of computerized programme for mobile code-bar readers to compare physical inventory results; information on alternative approaches to conducting a full physical inventory taking.	2007/2008
7	O	Document showing improvement in the reliability of UNOG's inventory recording and tracking and sample copies of reminders to United Nations heads of offices and entities and their relevant replies.	2007/2008

1. C = closed, O = open

2. Date provided by UNOG in response to recommendations.

LIST OF CLIENTS OF UNOG PROPERTY CONTROL UNIT
(Updated listing provided by PCU as of 02/07/2007)

No	Abr.	Code	Name	Physical inventory conducted
1			<u>UNOG</u>	
1.1	DIR	1506	Office of Director-General	N
1.2	Rés/Direct	100002	Residence of DG	Y
1.3	CSD	1456	Library	Y
1.4	ADM	1780	Division of Administration	Y
1.5	PCU	1846	Pouch Control Unit	Y
1.6	PTS	1328	Purchase and Transportation Section	Y
1.7	Security	1844	Security and Safety Section	Y
1.8	BES	1824	Buildings and Engineering Section	Y
1.9	ICTS	1902	Inform/and Communication Technology Service (IMIS,ESS,Telecom)	Y
1.10	CSD	1856	Conference Services Division	I
		1412	Coordination and planification Service	I
		1418	Interpretation Service	I
		1420	Languages service	I
		1464	Publishing Service	I
1.11	ADM	100042	Room of conference	I
1.12	PERSONNEL	1396	Human Resources Management Service	Y
1.13	FRMS	1518	Financial Resources Management Service	Y
1.14	INF	1306	United Nations Information Service	Y
1.15	INF/NY	2042	United Nations Publication,Marketing,sales and Licensing	I
1.16	JMS	4186	Joint médical service	Y
2	UNCC	2816	<u>United Nation Compensation Commission</u>	Y
3	UNPA	1392	<u>United Nations Postal Administration</u>	N
4	UNJSPF	1672	<u>United Nations Joint Staff Pension Fund</u>	Y
5	OHCHR	1520	<u>Office of High Commissioner for Human Rights</u>	Y

No	Abr.	Code	Name	Physical inventory conducted
			(except G. Motta Building)	
6	UNCTAD		United Nations Conference on Trade and Development	Y
6.1	EDM	2048	Executive Direction and Management	Y
6.2	GDS	2184	Division of Management	Y
6.3	DITE	2106	Division on Investment Technology and Enterprise Development	Y
6.4	DITGSC	2166	Division on International Trade in Goods, Services and Commodities	Y
6.5	SITE	2180	Division for Services Infrastructure for Development and Trade Efficiency	Y
6.6	LDC	2136	Special Programme for Least Developed, Landlocked and Island Developing Countries	Y
6.7	RMS	3570	Resources Management Service	Y
7	JIU	2362	Joint Inspection Unit	Y
8	DDA	4250	Department for Disarmament Affairs, Conference. Disarmament Secretariat and Conference Support Branch (Geneva)	Y
9	UNITAR	2848	Institute for Training and Research	Y
10	UNCCD	4246	United Nations Convention to Combat Desertification	Y
11	CEB	7050	Secretariat of the United Nations System Chief Executives Board for Coordination	Y
12	UNEP		United Nations Environment Programme	
12.1	ROE	2666	Regional Office for Europe and Geneva environment	Y
12.2	Dewa Eur/GRID	2294	Div/ Of Early Warning and Assessment	Y
12.3	UNEP	2310	Chemicals	Y
12.4	UNEP-GEF	2328	Project on Implementation of National Biosafety Frameworks	Y
12.5	UNEP/ETB	2292	Economics and Trade Branch	Y
12.6	UNEP	5052	Environmental Management Group	Y
12.7	CITES	2234	Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora	Y
12.8	UNEPBALE	1514	Secretariat of the Basel Convention	Y
12.9	UNEP/PCAU	5060	Post Conflict Assessment	Y
12.10	IUC	1778	Information Unit for Conventions	Y
12.11	UNCHS	2744	UN center Human settlements	Y

No	Abr.	Code	Name	Physical inventory conducted
13	OCHA	4026	Office for the Coordination of Humanitarian Affairs	N
14	UNECE	0862	United Nations Economic Commission for Europe	
14.1		0870	<i>Division de la restructuration industrielle, de l'énergie et du développement de l'entreprise.</i>	N
14.2				
14.3		0872	<i>Division de l'environnement et de l'habitat</i>	N
14.4		0866	<i>Division des analyses économiques</i>	N
14.5		0892	<i>Division du développement du commerce et du bois</i>	N
14.6		0884	<i>Division de statistique</i>	N
14.7		0894	<i>Division des transports</i>	N
15	UNRWA	3290	UN Relief and Works Agency for Palestine Refugees	Y
16	UNIDIR	1928	United Nations Institute for Disarmament	N
17	UNRISD	1792	United Nations Research Institute for Social Development	N
18	FICSA	1488	Federation of International Civil Servants' Associations	N

Y - Yes Physical Inventory Conducted (34 entities); N - Not Conducted (21 entities); I - In process (4 entities)

UNITED NATIONS



OIOS Client Satisfaction Survey

Audit of: Property Management at UNOG

(AE2006/311/2)

	1	2	3	4	5
By checking the appropriate box, please rate:	Very Poor	Poor	Satisfactory	Good	Excellent
1. The extent to which the audit addressed your concerns as a manager.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The audit staff's understanding of your operations and objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Professionalism of the audit staff (demeanour, communication and responsiveness).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The quality of the Audit Report in terms of:					
• Accuracy and validity of findings and conclusions;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Clarity and conciseness;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Balance and objectivity;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Timeliness.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The extent to which the audit recommendations were appropriate and helpful.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The extent to which the auditors considered your comments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your overall satisfaction with the conduct of the audit and its results.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please add any further comments you may have on the audit process to let us know what we are doing well and what can be improved.

Name: _____ Title: _____ Date: _____

Thank you for taking the time to fill out this survey. Please send the completed Survey as soon as possible to: Mr. Dagfinn Knutsen, Director, Internal Audit Division, OIOS, Room DC2-518, United Nations, New York, NY 10017. You can also send it via e-mail (knutsen2@un.org) or by fax (+1-212-963-2185).