



OIOS
Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

Management of contingent-owned equipment in UNMIS

29 May 2008

Assignment No. AP2007/632/09

United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION - DIVISION DE L'AUDIT INTERNE

OFFICE OF INTERNAL OVERSIGHT SERVICES - BUREAU DES SERVICES DE CONTRÔLE INTERNE

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

DATE: 29 May 2008

REFERENCE: IAD: 08- 01341

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



SUBJECT: **Assignment No. AP2007/632/09 – Management of contingent-owned equipment 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 recommendation 11 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 critical (i.e., recommendations 1, 2, 3, 5, 6, 7, 9 and 10) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Kiplin Perkins, Director of Mission Support, UNMIS
Mr. James Boynton, Chief of Mission Integrated Support, UNMIS
Mr. George Garner, Chief, Property Management Section, UNMIS
Mr. Henry Tynon, Chief, Contingent-owned Equipment Unit, UNMIS
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Maria Gomez Troncoso, Officer-in-Charge, Joint Inspection Unit Secretariat
Mr. Jonathan Childerley, Chief, Oversight Support Unit, Department of Management
Mr. Philip Cooper, Director, Department of Field Support
Mr. Byung-Kun Min, Programme Officer, 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).

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EXECUTIVE SUMMARY

Management of contingent-owned equipment in UNMIS

OIOS conducted an audit of the management of contingent-owned equipment (COE) in UNMIS from October 2007 to January 2008. The overall objective of the audit was to obtain reasonable assurance on the adequacy and effectiveness of internal controls in ensuring compliance with requirements of the Memoranda of Understanding (MoUs) and other COE guidelines in supporting reimbursement to troop contributors. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

Overall, the Mission lacks the necessary structures and procedures to ensure the efficient and effective administration and management of COE and MoUs, particularly in the following areas:

- UNMIS had not established the COE/MoU Management Review Board (CMMRB) and prepared its COE standard operating procedures as required in the Department of Peacekeeping Operations guidelines. Without adequate mechanisms, the Mission could not ensure the effective and efficient administration and management of MoUs.
- As of December 2007, the COE Unit had not conducted any of the 150 operational readiness inspections (ORIs) required, and arrival inspection reports were completed with average delays of 14 months.
- The Mission was holding a sizeable number of road engineering equipment in the last two years without appropriate tasking. As a result, it may be incurring approximately \$138,000 monthly for equipment that was not put in productive use or would otherwise not have been deployed.
- In self-sustainment, UNMIS could save at least \$378,000 per annum by transferring catering responsibilities for 45 Indian Signalers in Juba, Kadugli and Dilling to their affiliated Indian units.

The Mission needs to urgently develop its COE standard operating procedures and establish the CMMRB to oversee the implementation of the COE programme. OIOS issued 12 recommendations aimed at strengthening internal controls relating to accountability and optimal utilization of COE.

TABLE OF CONTENTS

Chapter	Paragraphs
I. INTRODUCTION	1 – 6
II. AUDIT OBJECTIVES	7
III. AUDIT SCOPE AND METHODOLOGY	8 – 9
IV. AUDIT FINDINGS AND RECOMMENDATIONS	
A. COE management structure	10 – 16
B. COE Unit performance and Inspections	17 – 24
C. Use of Contingent-owned Equipment	25 – 34
D. Self-sustainment of TCC detachments	35 – 37
E. Provision of UN-owned Equipment, Services and Consumables	38 – 42
F. COE Database and MoU Management System	43 – 45
V. ACKNOWLEDGEMENT	46
ANNEX 1 – Status of audit recommendations	
ANNEX 2 – Delays in reporting arrival inspections	
ANNEX 3 – Underutilized contingent-owned equipment	

I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the management of contingent-owned equipment (COE) in the United Nations Mission in the Sudan (UNMIS) from October 2007 to January 2008. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. The troop contributing countries (TCCs) provide UNMIS with COE and self-sustainment for their troops in accordance with the terms and conditions of their respective Memoranda of Understanding (MoUs). COE means major equipment, minor equipment and consumables deployed, and operated by the contingent units in the performance of peacekeeping operations. The UN reimburses TCCs for the use of COE and the provision of logistics support at rates agreed in the MoUs and subject to the fulfillment of standards set out in the COE manual. All reimbursements are processed at UNHQ upon receipt of quarterly verification reports from the Mission's COE Unit covering both major equipment and self-sustainment categories.

3. The General Assembly, in its resolution 50/222 of 11 April 1996, has promulgated the Manual on Policies and Procedures concerning the Reimbursement and Control of COE of TCCs. The Manual emphasizes the importance of management rather than accounting for COE. It is performance driven and provides for transparency of deployment as well as accountability for COE. The Manual also outlines four types of COE Inspections: (a) arrival inspections, (b) operational readiness inspections, (c) periodic inspections and spot checks, and (d) repatriation inspections in order to ensure that the Mission's requirements are met in accordance with the respective MoUs.

4. As of December 2007, UNMIS had deployed 38 formed military units equipped with over 4,500 items of major equipment in its Headquarters and six sectors. The authorized troop strength was 9,250 of which 440 troops from Italy, Nepal and Norway were repatriated in the period under review due to changes in operational requirements. Table 1 below summarizes the annual budgets for the last three years and the respective year-end troop strength.

Table 1: Annual Statistics

Financial year	Budget (in \$ million)	Year-end troop strength (30 June)
2005/06	80	927
2006/07	88	8,727
2007/08	84	8,523

5. The UNMIS COE Unit is responsible for the verification and control of COE and preparation of COE verification reports (VRs) to be forwarded to UNHQ on a quarterly basis for the reimbursement of TCCs. In coordination with the Force Headquarters, the Unit is also responsible for the planning and conduct of operational readiness inspections.

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6. Comments made by UNMIS are shown in *italics*.

II. AUDIT OBJECTIVES

7. The main objectives of the audit were to assess:
- (a) Compliance with requirements of the MoUs and other COE guidelines;
 - (b) The effectiveness of the Mission's mechanisms in determining the operational capability and serviceability of COE in accordance with performance standards set out in the COE Manual;
 - (c) The effectiveness of the deployment of COE resources; and
 - (d) The accuracy and timeliness of the Mission reporting system in supporting reimbursement to troop contributors.

III. AUDIT SCOPE AND METHODOLOGY

8. The audit covered the period from the initial deployment of troops in May 2005 to December 2007. OIOS: (a) reviewed compliance with signed MoUs, the COE Manual, instructions and guidelines issued for management of COE; (b) analyzed inspection reports generated by the COE unit and records maintained in the COE database; (c) interviewed responsible Mission personnel involved in the management of COE; and (d) visited four contingents deployed in the sectors.

9. The audit did not cover the processing of payments to troop contributors administered by the Field Budget and Finance Division at UNHQ and the UN's responsibility for the provision of accommodation, fuel, water and rations to the contingent units.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. COE Management Structure

10. The COE Unit staffing had remained fairly stable from the start of the Mission, as shown in Table 2. As of January 2008, the Unit's 60 per cent vacancy rate had exceeded the overall Mission's 21 per cent vacancy rate, following the departure of two inspectors.

Table 2: Vacancy rates for COE inspectors

	Dec-05	Jun-06	Dec-06	Jun-07	Dec-07
Vacant posts	5	5	4	5	6
Approved posts	10	10	10	10	10
Vacancy rates	50%	50%	40%	50%	60%

11. The COE Manual requires the Director of Mission Support and the Force Commander to establish appropriate mechanisms and procedures to ensure the efficient and effective administration, management and implementation of the MoUs. The Department of Peacekeeping Operations' (DPKO) proposed guidelines (issued on 26 November 2006) and the provisional guidelines (released on 23 January 2008) further require the missions to establish COE management structures comprising a Mission COE/MoU Management Review Board (CMMRB) and an integrated COE unit with adequate staffing. It also requires field missions to develop their specific COE standard operating procedures (SOPs) from the onset based on the generic "SOPs Missions" (released in September 2004). As of January 2008, UNMIS had not established a CMMRB and prepared its COE SOPs.

12. DPKO best practices shared in the COE database library indicates that some of the missions had complied with the above requirements and DPKO had in January 2008 instructed all missions to implement the outstanding elements, particularly the establishment of the CMMRB. The CMMRB terms of reference includes among other tasks to: (a) oversee the implementation of the mission COE programme; (b) ensure optimal utilization of resources in support of the Mission; (c) review and recommend cost-effective support solutions; and (d) ensure compliance with MoUs and COE verification and reporting procedures.

13. In the absence of adequate COE management structures, the Mission cannot ensure the effective and efficient administration of the COE programme. Furthermore, the lack of SOPs necessary for providing clarity and guidance in COE verifications and control had led to confusion in responsibilities among the different COE participants especially with respect to the conduct of operational readiness inspections (ORIs).

Recommendation 1

(1) The UNMIS Mission Support should establish the Contingent-Owned Equipment/Memorandum of Understanding Management Review Board, in accordance with the Department of Peacekeeping Operations Provisional Guidelines to oversee the implementation of Memoranda of Understanding.

(2) The UNMIS Mission Support should ensure that the Contingent-Owned Equipment Unit prepares its standard operating procedures, as required by the Department of Peacekeeping Operations guidelines, for clarity and guidance

in the verification and control of Memoranda of Understanding.

(3) The UNMIS Contingent-Owned Equipment (COE) Unit should fast track the recruitment of candidates for the vacant COE inspector posts in order to improve the Unit's fulfillment of its responsibilities to UNHQ.

14. *The UNMIS Mission Support accepted recommendation 1 and stated that it fully appreciates the need to manage the COE/MoUs at an executive level and will initiate quarterly meetings. Recommendation 1 remains open pending the receipt of copies of the minutes of quarterly meetings held by the COE Management Review Board.*

15. *The UNMIS Mission Support accepted recommendation 2 and stated that SOPs specific to the Mission are currently in draft format, pending the inclusion of the operational readiness inspection programme, which will be completed imminently. Recommendation 2 remains open pending the receipt from UNMIS of a copy of the Mission-specific SOPs on COE management.*

16. *The UNMIS Mission Support accepted recommendation 3 and stated that it is initiating recruitment for the vacant positions. Recommendation 3 remains open pending confirmation by the Mission of the filling of the vacant COE inspector positions.*

B. COE Unit performance and inspections

17. The COE Unit is responsible for the conduct of inspections and reporting to UNHQ, in compliance with the COE Manual and DPKO Guidelines for Field Verification and Control. Based on the number of formed military units and the period of deployment, the Mission should have conducted a total of 38 arrival inspections and 150 ORIs as of December 2007. Besides these, the COE Manual also requires the Mission to conduct monthly periodic inspections and submit the VRs to UNHQ on a quarterly basis. The actual inspections done are detailed in the following paragraphs.

Arrival inspections

18. Formed military units started arriving in the Mission in May 2005 and by May 2006 all the 38 units had arrived. The COE Manual requires that an arrival inspection be conducted and completed within a month of the arrival of troops and equipment. OIOS' analysis of the arrival inspection carried out for all the 38 formed military units showed that the relevant inspections were done in a timely manner. However, there were long delays averaging 14 months in submitting the arrival inspection reports to UNHQ, after the completion of the respective inspections (refer to Annex 2). According to the Chief of the COE Unit, the reports were held until all units were fully evaluated, which was difficult to complete due to deployment obstacles such as geographical distances, poor inland transportation, lack of road infrastructure and delays in moving units to their operational areas. These delays had resulted in the late reimbursement of

TCCs as the COE database would not generate the quarterly VRs required for the processing of reimbursements without first submitting the arrival inspection report.

Periodic inspections

19. For the periodic inspections, the COE Unit planned and conducted monthly inspections covering at least 33 per cent of the COE per month per each military unit, whereby 100 per cent inspection of equipment is accomplished over a three-month period. The COE database provides the reporting templates for generating the quarterly VRs, which should be submitted to UNHQ within 30 to 45 days of the close of the quarter for the processing of the reimbursement to troop contributors. OIOS analyzed periodic inspections conducted by the Mission in 2006 and 2007. The average delay in submitting 2006 verification reports to UNHQ was 6 months after the end of the quarter. However, for the year 2007, most VRs were submitted to UNHQ within the permitted grace period of 30 to 45 days after the end of the quarter. OIOS notes the significant improvements made in the 2007 VR and recommends continued adherence to reporting requirements for the timely reimbursement of troop contributors.

20. The UNHQ COE database administrator had developed additional tools in the Field VR v.6.1 module under “Field Verification Reports/By Mission/By status” (example: submit to finance) for tracking the dates of submission of inspection reports to UNHQ. OIOS’ review of the VR submission status in the COE database however indicated that the tool was operational only from September to December 2006 and thereafter became inactive.

Recommendation 4

(4) The UNMIS Mission Support should request the Contingent-Owned Equipment Database Administrator at United Nations Headquarters to: (a) reinstate the tracking tool “submit to finance” to facilitate the monitoring of the reporting process; and (b) enhance its functionality to generate automatic notifications to users whenever completed verification reports are submitted.

21. *The UNMIS Mission Support accepted recommendation 4 and stated that it will liaise with the Department of Field Support to reinstate the additional tools under the “Mission Status” toolbar that was discontinued in January 2007. Recommendation 4 remains open pending the reinstatement of the additional tools in the COE database.*

Operational readiness inspections

22. The COE Manual (approved by the General Assembly) requires that ORIs be carried out at least once in every six months of the contingent’s deployment in the Mission area and anytime the Mission believes the equipment or services do not meet the standards. The purpose of the ORIs is to verify that major equipment are present, used appropriately and operational to the extent

agreed to in the MoUs or otherwise considered surplus to operational requirements. Self-sustainment categories are also examined to determine whether the capabilities are sufficient and satisfactory. ORI reports will form the basis for shifting focus from the accounting for COE to the management of COE. The COE Unit did not accomplish any ORIs by the end of December 2007.

23. The Chief of the COE Unit explained that the instructions for initiating ORIs were not clear, hence liaison with the military and other operational areas for the conduct of ORIs was not achieved. In the absence of ORIs, the Mission lacks the necessary information to effectively manage COE and periodically review the capabilities of contingents, their COE holdings and self-sustainment arrangements needed to meet the operational requirements of the Mission.

Recommendation 5

(5) The UNMIS Mission Support should ensure that the Chief of Contingent-Owned Equipment (COE) Unit, in coordination with Force Headquarters, develop and implement an operational readiness inspection programme for all the formed military units, in accordance with requirements of the COE Manual.

24. *The UNMIS Mission Support accepted recommendation 5 and stated that, to meet the intent of the ORIs, the COE Unit and military component will draft a joint programme.* Recommendation 5 remains open pending the receipt from the Mission of a copy of the joint ORI programme between the COE Unit and the military component and OIOS' verification of its implementation.

C. Utilization of contingent-owned equipment

Optimal usage of contingent-owned equipment

25. According to the UNMIS concept of operations (CONOPS) of 29 April 2005, military engineers were to give priority to the reconstruction of Mission's main supply routes (MSRs), keeping them open and supporting the establishment of contingent camps. To accomplish the tasks, the units were required to deploy in three platoons, each with capabilities for independent operations to concurrently maintain the MSRs and establish camps.

26. UNMIS deployed about 160 engineering COE for road repairs at a monthly recurring cost of \$308,000. A recent OIOS audit of road repairs and maintenance projects in UNMIS had indicated that no road repairs had been done until December 2007 and all the military engineers were establishing camps. Table 3 shows usage analysis of road engineering equipment for three contingents from January 2006 (when most of the equipment had deployed) to December 2007 and assuming a daily activity rate of six hours. OIOS estimated about 45 per cent redundancy of road engineering equipment with usage of 41 equipment ranging between 2 and 50 days in a year or less than 10,000 kilometres for dump trucks used for collecting gravel. This implies that UNMIS may be incurring approximately \$138,000 monthly (45 per cent of

reimbursement cost) for equipment that was not put in productive use or would otherwise not have been deployed.

Table 3: Usage analysis of road engineering equipment

Contingent	Number of equipment by category of usage in terms of days and kilometers			Total Number of equipment
	<50 days/ <10,000kms	Between 50 - 100 days/ 10,000 kms - 20,000kms	Over 100 - 200 days/ >20,000kms	
Bangladesh Engineers	18	12	2	32
Indian Engineers	14	12	8	34
Pakistan Engineers	9	12	5	26
Totals	41*	36	15	92
% to total equipment	45%	39%	16%	100%

* Refer to Annex 3 for details

27. The Mission has initiated its Roaming Road Maintenance Programme (RRMP) to upgrade and maintain Mission priority selected roads in the five sectors, measuring (in total) 2,545 kilometres. For this purpose, the Mission listed 12 heavy duty engineering equipment. The other main player in road development at the sectors is the World Food Programme (WFP). A recent UNMIS bulletin indicated that WFP had significant road budgets of up to \$246 million in financial year 2008/09 to develop its food supply routes in the sectors. OIOS is of the view that some of the 160 engineering equipment brought in by the contingents for road development has now become redundant. Furthermore, they have not been utilized optimally, as shown in Annex 3.

Contingent-owned equipment in transit

28. In accordance with the COE Manual, the United Nations is responsible for the transportation of COE within the area of operations. As of December 2007, six pieces of engineering equipment in El-Obeid and one excavator in Juba were pending deployment to Wau and Malakal respectively. These equipment were brought to the Mission in September 2005 and April 2006 respectively. Another eleven pieces of COE that arrived in 2005 had been delivered to Malakal between May and July 2007 after a long delay. In addition, the Mission had made special arrangements at its own cost to sustain an average of 10 troops of the Indian engineering company stationed in El-Obeid over the same period to oversee their equipment.

29. According to the Chief of Movement Control, an analysis of pending deliveries of cargo in May 2007 had identified the anomaly and the Indian Transport company was asked to move the equipment. However, the inadequate tracking of COE movement and the apparent lack of need for such equipment had resulted in the cargo movement requests being overlooked. Consequently, UNMIS had incurred costs in excess of \$405,000 in reimbursing TCCs for the idle equipment and sustaining troops in the temporary locations outside their area of operation, while at the same time assigning part of the military troops to unnecessary tasks.

Recommendation 6

(6) The UNMIS Mission Support should evaluate the necessity of retaining unused engineering and other equipment, which have not been adequately utilized over the last two years, and initiate the required repatriation procedures if the engineering and other equipment are found unnecessary.

30. The UNMIS Mission Support accepted recommendation 6 and stated that an evaluation is necessary to validate the requirements for the next phase of the Mission as regards the usage of the current contingent engineering companies (CEC) and other equipment deployed in the Mission area. Recommendation 6 remains open pending the evaluation by the Mission to identify engineering and other equipment that are no longer needed by the Mission.

Credits for non-operational COE

31. The COE Manual requires that equipment arriving in theatre must be in a serviceable condition for use in its primary role. It further states that a vehicle will be considered operationally unserviceable if it is unavailable for normal mission use for a period of time in excess of 24 hours. Non-reimbursement according to the manual is qualified by the decline in serviceability below 90 per cent of the equipment class or category. However, this does not apply for equipment grounded over a long period of time.

32. OIOS' review of quarterly VRs submitted to UNHQ found instances of unserviceable equipment recommended for reimbursement, as shown in Table 4. A grader and tow-tractors belonging to Egypt and Bangladesh contingents respectively and damaged during inland transportation had been reimbursed for months. In other instances, heavy equipment trailers (low-bed) dependent on faulty tow-tractors were being reimbursed from arrival dates to the date of the audit. As of December 2007, UNMIS had incurred reimbursement costs of \$139,210 for these unserviceable equipment.

Table 4: Faulty equipment being reimbursed

Asset No.	Description	Contingent	Suggested period of recovery	Months	Total cost
UNMIS 4318E	Grader G/purpose	Egypt CEC	01.10.05 - 31.05.07	20	\$45,844
UNMIS 1449	Tractor, 41-60 ton	Ban TPT	22.10.05 - 30.06.06	8	13,188
UNMIS 1450	Tractor, 41-60 ton	Ban TPT	22.10.05 - 30.06.06	8	13,188
UNMIS 1475T	Lowbed 20 - 40 ton	Ban TPT	22.10.05 - 31.12.07	26	22,413
UNMIS 1476T	Lowbed 20 - 40 ton	Ban TPT	22.10.05 - 31.12.07	26	22,413
UNMIS 3336T	Lowbed 20 - 40 ton	Indian CEC	01.01.07 - 31.12.07	12	10,299
UNMIS 6415T	Lowbed upto 20 ton	Zambia TPT	01.11.06 - 31.12.07	14	11,865
TOTAL COST					\$139,210

Recommendations 7 and 8

(7) The UNMIS Mission Support should ensure that the Contingent-Owned Equipment Unit initiates the process of adjusting its quarterly periodic reports for the recovery of inappropriate reimbursements made to troop contributors pertaining to unserviceable equipment.

(8) The UNMIS Chief of Contingent-Owned Equipment (COE) Unit should draw a rotation policy for the COE inspectors in the various sectors to enhance the effectiveness of inspections and to reduce the risk of reimbursement for unserviceable equipment.

33. *The UNMIS Mission Support accepted recommendation 7 and stated that the Mission will take the appropriate action to recover valid overpayments. Recommendation 7 remains open pending the outcome of the action to be taken by the Mission to identify and recover inappropriate reimbursements in respect of unserviceable COE.*

34. *The UNMIS Mission Support accepted recommendation 8 and stated that a formal rotation policy will be drawn up to ensure that everyone within the Unit has visited the entire Mission area during a six-month period according to their area of responsibility. Recommendation 8 remains open pending the receipt from the Mission of a copy of the approved rotation policy for COE inspectors.*

D. Self-sustainment of Indian Signal Unit Detachments

35. According to the signed MoU with the Indian Signal Unit, the primary infantry units were responsible for providing self-sustainment support for the 250 signalers spread out in 17 locations within the Mission area. Troop contributors provide minor equipment such as kitchen facilities for logistical support to the contingent units on a reimbursable basis up to the personnel ceiling agreed in the MoUs. Due to dietary differences with the supporting infantry units, the Mission made alternative arrangements for catering support by providing kitchen facilities to the isolated detachments in 8 locations, transferred catering responsibilities in 6 locations to Indian affiliated units and engaged commercial contractors in the remaining 3 locations (Juba, Kadugli and Dilling).

36. Of the three locations served by commercial contractors, the signalers in Juba and Kadugli were co-located with other affiliated units of the Indian Aviation and Force Reserve Battalion. OIOS' review of the service arrangements with commercial contractors found that the Mission was incurring an annual cost of \$477,000 for the catering support for 45 signalers (21 in Juba, 14 in Kadugli and 10 in Dilling). Had the transfer of responsibilities been completed with the affiliated units or kitchen facilities provided as the practice in other locations, the Mission would have saved at least \$378,000 annually based on the self-sustainment rates provided for catering support in the MoUs.

Recommendation 9

(9) The UNMIS Mission Support should review the current catering arrangements for the Indian Signalers in Juba, Kadugli and Dilling to eliminate avoidable costs.

37. The UNMIS Mission Support accepted recommendation 9 and stated that it understands the matter raised and since it affects all detachments throughout the Mission area, it will be an agenda for the COE Management Review Board to decide. Recommendation 9 remains open pending the decision of the COE Management Review Board on the matter.

E. Provision of UN-owned equipment to contingents

Issued UN-owned equipment with corresponding contingent leases

38. The generic “SOPs Missions” requires that whenever the Mission has provided support to contingent units by lending out UN-owned equipment for which there are corresponding major equipment wet lease rates, the list should be provided to the COE Unit showing the equipment specifications, the period of provision along with handover and return documents duly signed by the contingent commander for reporting in the quarterly VRs. OIOS inspections noted that some of the UN-owned equipment (UNOE) assigned to the Engineering and Transport Sections had been signed over to the contingents without the knowledge of the COE Unit and in some cases the primary self-accounting units. In Malakal, the handover voucher for an excavator issued to the Indian TCCs could not be found and accountability issues could not be addressed. Comparative analysis of monthly usage had indicated that the contingent units were using the UNOE as the primary equipment in lieu of their own (see table 5).

Table5: UN-owned equipment issued to contingent units

UN No.	Description	Issued to TCC	Date of issue	Ave. monthly UNOE usage(hrs)	Ave. monthly COE usage (hrs)	Variance
UN 2917	Grader	Egypt CEC	12.02.07	42	75	-33
UN 1861	Road Roller	Bang CEC	12.07.07	177	6	171
UN 2911	Road Roller	Bang CEC	29.10.07	52	6	46
UN 2915	Motor Grader	Bang CEC	12.07.07	30	8	22
UN 2828	Front end loader	Bang CEC	12.07.07	24	38	-14
UN 2842	Excavator	Bang CEC	12.07.07	86	66	20

Handover Voucher not traced – total usage to Dec 2007

UN 1882	Excavator	Indian CEC	No records	12,110	2,537	9,573
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39. The Engineering and Transport Sections explained that the UNOE had been temporarily handed over to the contingents as UNMIS did not have equipment operators. UNMIS had acquired the UNOE because of the insufficient capacity of some of the engineering and transport COE in meeting operational requirements stated in the CONOPs. For instance, while the contingents had complied with requirements to provide dump trucks of up to 10 cubic metres, the

capacity provided in Juba and Malakal of 3 cubic metres was insufficient to meet the Mission's gravel requirements based on the long distances from the gravel sites; and orders had been placed for dump trucks of 16 cubic metres.

UNOE issued to contingents not recorded in Galileo

40. Administrative instruction 07/2006 requires that equipment issue vouchers signed by the appointed logistics officers for each unit should be maintained and updated in a timely manner in Galileo to ensure the accuracy of inventory records and transfer of accountability. The Galileo system is the asset management system used by UNMIS for tracking and control of UN-owned equipment. Of the 30 items of major equipment issued to three contingents inspected during OIOS' field visits, eleven had not been recorded in Galileo.

41. Non-adherence to established procedures and instructions with regard to the updating of Galileo may result in the Mission not being able to readily detect cases of leasing COE while at the same time providing UN-owned equipment to the contingents for the same purpose.

Recommendation 10

(10) The UNMIS Mission Support should establish circumstances leading to the issuance of UN-owned equipment to contingents with corresponding leases and initiate recovery in quarterly verification reports, as necessary.

42. *The UNMIS Administration accepted recommendation 10 and stated that it will review the current mechanism in place used to capture any recovery required, which is reflected in the quarterly verification reports. It will be an agenda item for the COE Management Review Board. Recommendation 10 remains open pending the conduct of the above mentioned review by the Mission.*

F. COE Database and Reimbursement system

43. The COE Unit has a staff complement of one database administrator and one national staff for the maintenance of the COE database. OIOS' review of the COE database showed that records were not current and errors were not addressed in a timely manner:

- (a) Eleven pieces of COE did not have registration numbers;
- (b) Seven registration numbers had duplicate entries for equipment held by different contingent units; and
- (c) The equipment locations and odometer readings in the contingent-owned mechanical equipment electronic database were not current, with most units updated in early 2006. Further, the measurement

units for odometer readings (kilometres or hours) were in most cases not recorded accurately and consistently from one unit to the other.

44. Inaccurate or outdated records undermine the usefulness of data generated for decision making.

Recommendation 11

(11) The UNMIS Mission Support should ensure that the Contingent-Owned Equipment (COE) Unit regularly updates the COE database to enable it to generate current information and analysis for management decision making.

45. *The UNMIS Mission Support accepted recommendation 11 and stated that the COE database is continually updated and maintained.* Based on the action taken by the Mission, recommendation 12 has been closed.

V. ACKNOWLEDGEMENT

46. We wish to express our appreciation to the Management and staff of UNMIS and contingent units 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	Submission to OIOS of copies of the minutes of quarterly meetings held by the COE Management Review Board	1 July 2008
2	O	Submission to OIOS of a copy of the Mission-specific SOPs on COE management	1 July 2008
3	O	UNMIS' confirmation of the filling of the vacant COE inspector positions	Ongoing
4	O	UNMIS' confirmation of the reinstatement of the additional tools in the COE database	UNHQ action
5	O	Submission to OIOS of a copy of the joint ORI programme between the COE Unit and the military component and OIOS' verification of its implementation	1 July 2008
6	O	Submission to OIOS of a copy of the Mission's evaluation to identify engineering and other equipment that are no longer needed by the Mission	1 September 2008
7	O	Submission to OIOS of a copy of the outcome of the action to be taken by the Mission to identify and recover inappropriate reimbursements in respect of unserviceable COE	1 July 2008
8	O	Submission to OIOS of a copy of the approved rotation policy for COE inspectors	1 July 2008
9	O	UNMIS' confirmation of the COE Management Review Board's decision on the catering arrangements pertaining to all detachments in the Mission area	1 September 2008
10	O	Submission to OIOS of a copy of the results of UNMIS' review of current mechanism used to capture recoveries (pertaining to UN-owned equipment issued to contingents) that should be made from amounts disbursed to TCCs for COE reimbursement	1 July 2008
11	C	Action completed	Implemented

¹ C = closed, O = open² Date provided by UNMIS in response to recommendations

DELAYS IN REPORTING ARRIVAL INSPECTIONS

#	ICC	Date of Arrival of COE	Date of inspection (A)	Date Report submitted to UNHQ (B)	Delay in months (B-A)
1	Bang. Construction Eng.	17 May - 18 June 05	30-Jun-05	10-Sep-06	14
2	Bang. Demining Coy	13 Feb - 18 Mar 06	15-Mar-06	14-Dec-06	8
3	Bang. Force Riverine Unit	27 Sept -06 Oct -05	26-Oct-05	14-Dec-06	13
4	Bang. Infantry Batt	23 July - 22 Oct 05	30-Aug-05	06-Aug-07	21
5	Bang. Medical Level 2	04 June -11 Aug 05	30-Aug-05	06-Aug-07	23
6	Bang. Transport Coy	22 Oct - Dec 05	27-Dec-05	04-Dec-06	11
7	Cambodia Demining Coy	06-Mar-06	24-May-06	18-Dec-06	6
8	China Construction Eng	2 April 06-03 May 06	27-Jul-06	04-Dec-06	4
9	China Medical Level 2	02 -13 April 06	27-Jul-06	04-Dec-06	4
10	China Transport Coy	02 Feb -03 May 06	28-Jul-06	04-Dec-06	4
11	Egypt Construction Eng	01 July 05- 05 Oct 05	12-Oct-05	18-Jun-07	20
12	Egypt Demining Coy	06 Jan - 12 Feb 06	20-Feb-06	18-Jun-07	15
13	Egypt Infantry Batt.	05 -06 Sept -05	28-Oct-05	31-May-07	19
14	Egypt Medical Level 2	05 Sept 05	28-Oct-05	31-May-07	19
15	Egypt Transport Coy	21-Jan-06	24-Feb-06	31-May-07	15
16	India Aviation unit	12 Oct 05-24 Oct 05	10-Nov-05	10-Sep-06	9
17	India Engineering Unit	29 May - 30 June 05	30-Jun-05	16-Aug-07	25
18	India Force Reserv Batt.	17 Dec 05	30-Mar-06	14-Aug-07	16
19	India Infantry Batt.	18 Aug 05- 31 Dec 05	15-Jan-06	06-Aug-07	18
20	India Medical Level 2	22 Aug 05 - 31 Dec 05	27-Jan-06	20-Dec-06	11
21	India Transport Co.	22 -31 Dec 05	20-Jan-06	14-Dec-06	10
22	Italy Force HQ Co	18 - 25 June 05	25-Jul-05	16-Feb-06	6
23	Kenya Infantry	18 Dec 05 - 23 Mar 06	April 06*	01-Jun-07	13
24	Kenya Demining	15 Dec 05 - 19 Mar 06	April 06*	06-Aug-07	15
25	Nepal RCHO	23 April - 12 Aug 05	25-May-05	16-Feb-06	8
26	Norway Level 1 Hospital	29-Jun-05	25-Jul-05	16-Feb-06	6
27	Pakistan Aviation Sect 2	19-Apr-06	15-Aug-06	04-Jun-07	10
28	Pakistan Aviation Sect 5	5 Dec 05 -24 April 06	18-May-06	16-Aug-07	15
29	Pakistan Constr. Eng.	01 - 30 Aug 05	30-Sep-05	16-Aug-07	22
30	Pakistan Demining Co.	22- 26 April 2006	18-May-06	14-Aug-07	15
31	Pakistan Infantry Co	25 Aug - 31 Dec 05	31-Aug-05	16-Aug-07	23
32	Pakistan Medical Level 2	05 Oct - 05 Dec 05	12-Dec-05	16-Aug-07	19
33	Pakistan Transport Co.	05 -20 Dec 05	25-Mar-06	16-Aug-07	17
34	Russia Aviation Unit	21 April - 27 May 06	15-Jun-06	14-Aug-07	14
35	Rwanda Force HQ Co	10 Nov - 15 Dec 05	19-Dec-05	06-Aug-07	19
36	Zambia Eng Platoon	31-Aug-05	23-Sep-05	01-Dec-06	14
37	Zambia Infantry Co.	31 Aug - 17 Sept 05	23-Sep-05	01-Dec-06	14
38	Zambia Transport Platoon	12-Nov-05	12-Nov-05	01-Dec-06	12
Total Delay in Months					526
Average delay in initiating arrival inspection Report					14
<i>April 06* - Inspection reports do not have the inspection dates</i>					

UNDERUTILIZED ENGINEERING EQUIPMENT

a) Equipment with Hourly Odometers * Assuming equipment usage of 6Hrs per day

Description/ UN No.	TCC	Usage in Hrs for 2 Yrs	Annual Usage in Hrs	Meas.	Approx. Annual usage in days*	Location
Bulldozer light						
UNMIS 1276E	Bang. Constr. Engrs	178	89	HRS	15	JUBA
UNMIS-5331	Pakistan Eng.	206	103	HRS	17	KADUGLI
UNMIS 1277E	Bang. Constr. Engrs	268	134	HRS	22	JUBA
Crane mobile light (up to 10 tons)						
UNMIS 1280E	Bang. Constr. Engrs	18	9	HRS	2	JUBA
UNMIS 1279E	Ban Engrs	394	197	HRS	33	JUBA
UNMIS-5340	Pakistan CEC	23	12	HRS	2	Ed Damazin
Grader - general purpose						
UNMIS 1286E	Ban Engrs	127	64	HRS	11	JUBA
UNMIS 3318	Indian CFC	144	72	HRS	12	BOR
UNMIS 1285E	Ban Engrs	299	150	HRS	25	JUBA
UNMIS-5329	Pakistan CEC	449	225	HRS	37	Ed Damazin
UNMIS 3317	Indian CFC	590	295	HRS	49	BOR
Industrial tractor light						
UNMIS-5337	Pakistan CEC	63	32	HRS	5	Ed Damazin
UNMIS 3291	Indian CEC	105	53	HRS	9	BOR
UNMIS-5399	Pakistan CFC	117	59	HRS	10	Ed Damazin
UNMIS 3289	Indian CEC	134	67	HRS	11	MALAKAL
UNMIS 1290	Ban Engrs	175	88	HRS	15	JUBA
UNMIS 1289	Ban Engrs	185	93	HRS	15	JUBA
UNMIS-5338	Pakistan CEC	213	107	HRS	18	Kurmuk
UNMIS 1287	Ban Engrs	228	114	HRS	19	JUBA
UNMIS 3290	Indian CEC	283	142	HRS	24	BENTIU
UNMIS 1288	Ban Engrs	302	151	HRS	25	JUBA
UNMIS 3292	Indian CFC	357	179	HRS	30	MERLUT
Roller - self propelled						
UNMIS 1292E	Ban Engrs	32	16	HRS	3	JUBA
UNMIS 3319	Indian CEC	205	103	HRS	17	BOR
UNMIS 1291E	Ban Engrs	281	141	HRS	23	JUBA
UNMIS-5346	Pakistan CEC	327	164	HRS	27	Ed Damazin
UNMIS 1293E	Ban Engrs	565	283	HRS	47	TORIT
UNMIS 3320	Indian CEC	565	283	HRS	47	MERLUT
Forklift medium (upto 5 tons)						
UNMIS 3324	Indian CEC	488	244	HRS	41	MALAKAL
UNMIS 3323	Indian CEC	550	275	HRS	46	MALAKAL

b) Odometer readings for Dump trucks recorded in Kilometers

Description/ UN N0.	TCC	Usage in 2 Yrs	Meas.	Annual Usage in Kms	Location
Truck - dump - up to 10 cu meters (CP)					
UNNMIS 3300	Indian CEC	7,002	KM	3,501	BOR
UNNMIS 3301	Indian CEC	10,368	KM	5,184	BOR
UNNMIS 1294E	Ban Engrs	10,771	KM	5,386	MARIDI
UNNMIS-5295	Pakistan CEC	11,228	KM	5,614	ED Damazin
UNNMIS-5290	Pakistan CEC	13,266	KM	6,633	ED Damazin
UNNMIS 1300E	Ban Engrs	14,833	KM	7,417	YEI
UNNMIS 1296E	Ban Engrs	15,282	KM	7,641	JUBA
UNNMIS 1295E	Ban Engrs	15,527	KM	7,764	JUBA
UNNMIS 1304E	Ban Engrs	18,855	KM	9,428	JUBA
Workshops - truck - HE equip					
UNNMIS 3279	Indian CEC	330	KM	165	EL OBEID
UNNMIS 3275	Indian CEC	339	KM	170	MALAKAL