



## **INTERNAL AUDIT DIVISION**

### **REPORT 2018/100**

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#### **Audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in Mali**

**The Mission needed to strengthen the oversight of the Transport Section and improve controls over its fleet of vehicles, spare parts and road safety measures**

**22 October 2018  
Assignment No. AP2017/641/05**

# **Audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in Mali**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA). The objective of the audit was to assess the efficiency and effectiveness of the transport operations of MINUSMA in accordance with established guidelines and procedures. The audit covered the period from 1 July 2015 to 31 January 2018 and reviewed governance such as functioning of a vehicle establishment committee and oversight of the Transport Section; management of transport assets and inventory; road safety and handling of accidents; issuance of driving permits; management of the Carlog system; and vehicle maintenance and repair.

There were significant control weaknesses due to inadequate supervision and monitoring of the transport operations and road safety programme.

OIOS made 11 recommendations. To address issues identified in the audit, MINUSMA needed to:

- Ensure timely implementation of Vehicle Establishment Committee (VEC) recommendations and convene the VEC to review justification and utilization of its specialized vehicles;
- Implement a mechanism to: monitor the implementation of the Transport Section's work plan; train and guide the Section's staff on their roles and responsibilities; and conduct regular safety and technical inspections of the regional transport offices;
- Complete the physical verification of vehicles and spare parts, and take necessary actions for any discrepancies;
- Comply with procedures on loaning vehicles to contractors;
- Regularly convene the Road Safety Committee to discharge its responsibility for overseeing road safety matters;
- Properly maintain the records required for issuing driving permits;
- Install and monitor the Carlog system in all United Nations-owned vehicles, except for those duly justified and approved cases; and activate the feature in the Carlog system to track vehicles that are due for regular maintenance;
- Take measures to: (a) administer sanctions against individuals in cases of violation of speed and other traffic regulations; and (b) strictly enforce the procedures for handling and reporting traffic accidents; and
- Establish and implement a mechanism for regular maintenance of vehicles and timely recording of work orders to monitor the repair costs of vehicles.

MINUSMA accepted the recommendations and has initiated action to implement them.

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# **Audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in Mali**

## **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA).
2. The Transport Section of MINUSMA was responsible for providing safe and cost-effective surface transportation services in the Mission. These services included administration of day-to-day vehicle operations, maintenance and repair of the Mission's fleet and related equipment, test and issuance of driving permits and the Mission's Road Safety Programme.
3. The Transport Section comprised three units, i.e., the Fleet Management Unit, Fleet Operations Unit and Fleet Maintenance Unit. The Section was headed by the Chief Transport Officer (CTO) at P-4 level, who reported to the Director of Mission Support (DMS) through the Chief Service Delivery. The Section had 111 authorized posts, consisting of 26 international staff, 80 national staff and 5 United Nations Volunteers.
4. As of 31 January 2018, the Mission had an inventory of 834 vehicles comprising of 579 light passenger vehicles (LPVs) and 255 mission specialized vehicles (MSVs). MINUSMA ground transport budgets for financial years 2015/16, 2016/17 and 2017/18 were \$21 million, \$21 million and \$10 million respectively. The decrease between 2016/17 and 2017/18 was due to budget cuts.
5. Comments provided by MINUSMA are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

6. The objective of the audit was to assess the efficiency and effectiveness of the transport operations of MINUSMA in accordance with established guidelines and procedures.
7. This audit was included in the 2017 risk-based work plan of OIOS due to operational, financial and safety risks.
8. OIOS conducted this audit from January to June 2018. The audit covered the period from 1 July 2015 to 31 January 2018. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the fleet management, which included: governance such as functioning of a vehicle establishment committee and oversight of the Transport Section; management of transport assets and inventory; road safety and handling of accidents; issuance of driving permits; management of the Carlog system; and vehicle maintenance and repair.
9. The audit methodology included: (a) interviews of key personnel, (b) reviews of relevant documentation, (c) analytical reviews of data, (d) sample testing of records for driving speed, traffic accidents, vehicle maintenance and driving permits, and (e) site visits to the Bamako workshop and the regional transport offices in Gao, Kidal and Timbuktu.
10. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

### III. AUDIT RESULTS

#### A. Governance

##### Functioning of the Vehicle Establishment Committee needed improvement

11. The Departments of Peacekeeping Operations and Field Support (DPKO/DFS) Surface Transport Management Manual (Manual) requires MINUSMA to establish a VEC to be convened at least once a year to define and approve the Mission's vehicle establishment as well as any subsequent amendments and disposal of vehicles. The vehicle establishment incorporates all LPVs, MSVs and transport equipment necessary for the proper functioning of the Mission. The CTO is responsible for implementing the recommendations of the VEC.

12. MINUSMA established the VEC with appropriate composition of senior members of the Mission's main pillars. The VEC, chaired by DMS, was convened once a year with an attendance of sufficient number of members. The Committee reviewed the distribution of LPVs and identified a surplus of 35 LPVs, recommending their recall to form part of the pool of the Mission's fleet. However, the Committee did not review the requirements for 266 MSVs with a total purchase value of \$30 million to ensure that the holding of MSVs was appropriate to support the Mission's operations. For example, 36 of the 266 MSVs were grounded by the Transport Section for over two years without being used. However, VEC and the Transport Section did not determine whether they were needed for the Mission's operations or a surplus to be disposed of.

13. The VEC made five recommendations during the audit period. However, only one of the five recommendations was implemented. The remaining four recommendations were outstanding for more than two years. The pending recommendations pertain to the:

- (a) Development and implementation of procedures for the administration of liberty charges when operating United Nations-owned vehicles for liberty and welfare/recreational purposes. As no action had been taken to implement this recommendation, the Mission did not collect any liberty charges even though staff used vehicles after working hours totaling at least 4.4 million kilometres from 1 January 2016 to 28 February 2018. OIOS estimated the related financial loss at about \$250,000;
- (b) Development of a policy on the provision of shuttle services and vehicle idling to reduce gas emissions which DFS considered as a priority;
- (c) Development of standard operating procedures to administer the pooling of armoured vehicles in regions for better resource utilization; and
- (d) Recall of 35 surplus LPVs.

14. The MSV establishment was not reviewed because the Mission incorrectly believed that the VEC was to review only the establishment of LPVs. The long delay in implementing the VEC recommendations resulted as the Committee did not establish and implement a mechanism to consistently monitor the implementation of its recommendations as part of its oversight responsibility. As a result, there was no assurance that the Mission's vehicle holding and governance of transport operations were adequate to support the Mission operation. There was also a risk of financial loss to the Organization as the Mission did not address its surplus of vehicles and recover liberty and welfare charges.

**(1) MINUSMA should strengthen supervision of the Vehicle Establishment Committee (VEC), to timely implement the VEC recommendations and convene VEC to review justification and utilization of the 266 specialized vehicles and dispose surplus vehicles identified.**

*MINUSMA accepted recommendation 1 and stated that it had put measures in place to strengthen supervision of the VEC. It would collect the operational data of the specialized vehicles, which would be reviewed by the VEC and shared with DFS. Recommendation 1 remains open pending receipt of evidence of implementation of the VEC recommendations and proper review of the specialized vehicles by VEC.*

Need to improve oversight of the Transport Section

15. The Manual requires the CTO to: establish and monitor an appropriate work plan of the Section; conduct regular safety and technical inspections of the fleet operations in all sectors; formulate guidance and standard operating procedures for the Section; and develop and implement technical training plans for staff members.

16. The following issues were identified:

- Although the Section established its work plan annually, its achievements had not been systemically monitored due to the absence of adequate monitoring mechanism;
- Since the inception of the Mission in July 2013, the Transport Section had not finalized standard operating procedures on fleet operations to guide its staff and delineate the roles and responsibilities of the Section's managers and staff;
- The Section did not conduct the required safety and technical inspections of the regional transport offices to assess working conditions and their capacity. This was due to security constraints and the absence of an appropriate mechanism to monitor the implementation of the Section's work plan. OIOS visit to four of the five regional offices in Bamako, Gao, Kidal and Timbuktu and interview with key personnel indicated that all the workshops were inadequately equipped to perform proper maintenance services and repairs of vehicles. They lacked proper capacity and equipment such as vehicle lift, exhaust extractor, wheel balance, vehicle alignment, brake tester and ventilations for hazards fume exhaust. The workshop in Kidal was operating out of a container and makeshift workshop; and
- The Section did not develop and implement a technical training plan to ensure that their staff received adequate training to enhance their technical skills and ensure safety practices in the workshops.

17. Although day-to-day transport operational requirements were affected by security constraints, poor infrastructure and delays in the construction of office accommodations in the regions, the above happened due to inadequate oversight of the Transport Section and lack of prioritizing capacity-building of its staff. The above contributed to the control weaknesses in fleet management as discussed below.

**(2) MINUSMA should: (a) monitor implementation of the Section’s work plans and establishment of key performance indicators; (b) provide Transport Section staff with operational guidance and delineate their roles and responsibilities; (c) conduct regular safety and technical inspections of the regional transport offices; and (d) develop and implement a training plan for the Transport Section staff.**

*MINUSMA accepted recommendation 2 and stated that the Transport Section would finalize its work plan for fiscal year 2018/19, standard operating procedures and other guidance documents, planning for the inspection of regional offices and a training plan for the staff. Recommendation 2 remains open pending receipt of evidence of finalized work plan of the Section and guidance documents and inspections of regional offices and training conducted.*

## **B. Management of transport assets and inventory**

### Need to physically verify all vehicles

18. The Manual requires missions to conduct a full physical verification of vehicles at least once every year and reconcile the verification results against relevant records.

19. The Property Control and Inventory Unit conducted its annual physical verification of vehicles in May 2018. However, the Unit physically verified only 601 of 834 vehicles, leaving 233 vehicles unaccounted for. The Mission explained that the incomplete physical verification was due to errors in vehicle records such as incorrect reference of custodians, as the records for transport assets were migrated to Umoja without users’ references in 2017. The Mission was considering starting an exercise to clean up asset records in Umoja.

20. Without completing a fully physical inventory of vehicles, there is no assurance as to whether the above-mentioned 233 vehicles were lost or damaged. Weak controls over such assets also increases the risk of lost through theft.

**(3) MINUSMA should complete the physical verification of the 233 vehicles and take necessary actions for any discrepancies.**

*MINUSMA accepted recommendation 3 and stated that the physical verification of the vehicles was on-going and upon completion, it would update Umoja records. It would prepare an action plan for any discrepancies, if identified. Recommendation 3 remains open pending receipt of evidence of a physical verification of all of the Mission’s vehicles and actions taken for discrepancies.*

### Need for effective controls over spare parts stocks

21. The Manual requires MINUSMA to maintain sufficient stocks of spare parts by establishing safety stock and reorder level and monitoring stock level and consumption. Also, spare parts need to be physically verified twice a year. As at May 2018, the Mission recorded that its spare parts consisted of 8,751 line items.

22. The Mission had not implemented procedures to physically verified all of its vehicle spare parts, as required. For example: (a) stocks for the Gao warehouse was last counted in November 2017 and action had not been taken to reconcile those physically identified with Umoja records; (b) spare parts in Kidal, Mopti and Timbuktu workshops were not counted after migration to Umoja on 6 September 2017; and (c)

stocks in the Bamako warehouse were last counted in June 2017 and only 70 per cent of the stock had been verified in Umoja as of February 2018. The Mission had neither monitored consumption nor established safety stock and reorder levels for spare parts.

23. The Mission stated that the above was due to challenges in migrating Galileo data to Umoja and the establishment of a supply chain management concept including a centralized warehouse unit, which delayed physical verification of spare parts. However, complete and accurate physical verification of spare parts was a requirement that the Mission had to fulfil at the initiation stage of data migration and establishment of a supply chain management concept. Failure to monitor consumption and establish safety stock and reorder level was due to the absence of accurate and reliable records of the Mission's spare parts in Umoja. In OIOS' view, control weaknesses on spare parts were mainly due to inadequate oversight of the Transport Section, as discussed above.

24. Incomplete physical verification increased the risks of loss and inability to locate and use spare parts in stock, and may result in purchasing additional goods already in stock. In addition, inadequate monitoring of consumption and stock levels and absence of safety stocks and reorder level led to unavailability of spare parts, delaying the maintenance and repairs of vehicles. For instance, from a review of maintenance and repair work orders in the transport workshops of Bamako, Gao and Timbuktu indicated that the maintenance and repair of 389 vehicles were delayed from 31 to 422 days due to unavailable spare parts such as air and fuel filters, engine oil, lubricant, brake pad, battery, tyre and coolant. The Transport Section resorted to purchasing spare parts from the local market, totaling \$82,672 during the audit period, to meet urgent needs, which were more expensive than those available through systems contracts, and may be of inferior quality.

**(4) MINUSMA should: (a) expedite the physical verification of its vehicle spare parts; (b) correct the records of spare parts in Umoja; and (c) establish safety stock and reorder levels taking into account the lead time for procurement and delivery, and (d) monitor stock level and consumption.**

*MINUSMA accepted recommendation 4 and stated that the Transport Section was working with the Central Warehouse to complete the physical verification of vehicle spare part, update records in Umoja and establish a safety stock and reorder level. Recommendation 4 remains open pending receipt of evidence that the Mission has completed the physical verification of vehicle spare parts, updated Umoja records and established safety stock and reorder levels taking into consideration stock and consumption levels.*

#### Vehicles loaned to contractors

25. The Manual requires MINUSMA to have formal agreements, approved by the DMS, containing a provision on cost recovery and liability for vehicles on loan to third parties. Third parties in receipt of vehicles are required to properly maintain them, promptly report to MINUSMA all identified defects or problems, and return them in the same condition as when loaned. MINUSMA is required to provide local transportation to air crew within the Mission area as authorized by the DMS and each air crew needs to have an approved and signed release from liability form prior to travel.

26. MINUSMA loaned 26 vehicles with a total purchase value of \$2.2 million to contractors; 9 to fuel contractors, and 14 to air crew contractors. For the remaining three, the Transport Section did not retain records identifying the third parties that the vehicles had been loaned to and was in the process of tracing relevant records. The following issues were also identified:

- There was no agreement showing the DMS approval for 17 of 26 vehicles on loan to third parties with a total purchase value of \$573,500;
- Contractors did not regularly inspect, maintain and repair the vehicles on loan. An OIOS visit to Timbuktu observed that two vehicles with the total purchase value of \$352,000 on loan to the current fuel contractor were off road for more than two weeks due to lack of regular maintenance;
- All air crew did not have an approved and signed release from liability form prior to traveling in a United Nations loaned vehicle; and
- Twenty-three of the 26 vehicles were loaned to contractors without cost recovery as stipulated in their respective contracts. There was no indication that this provision of the contract applied to the remaining three vehicles as the loan was not supported by an agreement with the Mission.

27. Further, one year after the end of the fuel contractor's contract in July 2017, the title and ownership of 28 vehicles, approximately \$1.3 million, which the former contractor had purchased with mobilization fees provided by the Mission, were not transferred to MINUSMA. This resulted as the Mission did not initiate the required written note to transfer the title/ownership of these vehicles to MINUSMA. Hence, the Mission's record of total vehicles was inaccurate, and the total asset value was understated.

28. The above happened because the Mission did not establish a mechanism to enforce the requirements of the Manual when loaning vehicles to third parties. Further, the Mission did not adequately manage and enforce the terms of fuel supply and service contract. This might result in a financial loss to the Organization, due to failure to recover cost from the contractors.

**(5) MINUSMA should take steps to: (a) enforce the requirements for loaning vehicles to contractors including proper approval and monitoring of regular maintenance of the vehicles; (b) transfer to the Mission the ownership of 28 vehicles that the former fuel contractor purchased with mobilization fees; and (c) recover all relevant cost from the contractors.**

*MINUSMA accepted recommendation 5 and stated that it was taking corrective actions to review the agreements, update the records and recover relevant costs from the contractors. Recommendation 5 remains open pending receipt of evidence that the requirements for loaning vehicles are complied with, ownership of the 28 vehicles are transferred to the Mission and relevant costs have been recovered from contractors.*

## **C. Minimum standards for safe operation of vehicles**

### Functioning of the Road Safety Committee

29. The Manual requires MINUSMA to establish a Road Safety Committee (RSC) to: (a) review road accidents involving the Mission vehicles to identify unsafe behaviors and conditions; (b) identify the most suitable method or strategy to ensure safe operation of Mission vehicles; and (c) monitor the progress of the road safety activities.

30. The Mission conducted several activities to raise awareness on road safety. There were postings on the Mission's intranet, posters, banners and radio announcements to remind drivers of their responsibilities

for safe driving. The Mission established its RSC only in February 2018 to be chaired by the DMS with appropriate terms of reference. However, RSC had not held any meeting to date.

31. This happened because the Mission management did not prioritize the establishment of a RSC due to other competing priorities. As a result, the administration of sanctions for traffic violations was weak, as discussed below. This contributed to the increase in the number of traffic offences and accidents from 393 in 2015 to 534 accidents in 2017.

**(6) MINUSMA should take steps to ensure that the Road Safety Committee is regularly convened to discharge its responsibility for overseeing road safety matters.**

*MINUSMA accepted recommendation 6 and stated that RSC would convene its first meeting soon. Recommendation 6 remains open pending receipt of the first meeting minutes of RSC and measures put in place, such as issuance of an administrative circular to ensure regular convening of RSC meetings.*

#### Need to improve controls over issuance of driving permits

32. The Manual requires the Transport Section to establish proper procedures and keep relevant records to ensure that all applicants applying for a driving permit have a valid national driver's permit, meet medical conditions, including vision, and pass the driving test administered by the Section.

33. Some 2,940 driving permits were issued during the audit period. A review of driving records for 251 (9 per cent) of the 2,940 driving permits issued, consisting of 167 international and 84 national staff members, showed that in 171 cases (68 per cent), the Transport Section did not properly keep the records and documents evidencing that they had a valid national driving permit, passed the driving test and met the required medical condition. In addition, the Transport Section did not cancel the permits of the 244 staff who checked out of the Mission.

34. The above occurred because the Mission did not ensure that the records required for issuing driving permits were properly maintained. As a result, there was no assurance that only qualified personnel operated the Mission's vehicles.

**(7) MINUSMA should take steps to ensure that the records required for issuing driving permits are properly maintained.**

*MINUSMA accepted recommendation 7 and stated that it would take appropriate action to maintain required documentation. Recommendation 7 remains open pending receipt of evidence of action taken to ensure maintenance of records relating to issuance of driving permits.*

#### Need to improve controls over the Carlog System

35. The Manual and MINUSMA Information Circular 023/2014 require the Transport Section to install the Carlog system in all United Nations-owned vehicles. With Carlog, the Mission is required to monitor and ensure the effective utilization of its vehicle fleet and mitigate risks of unauthorized use and overspeeding. Any exceptions either not to install or modify the Carlog device must be endorsed by the Chief Security Officer and approved by the DMS in writing. In addition, the Section is required to configure the Carlog system to ensure that certain types of vehicles, such as armoured or heavy utility vehicles, are driven only by individuals holding the corresponding categories of driving permit.

36. A review of records relating to the Carlog installations indicated the following issues:
- Carlog was not in place or deactivated in 249 (30 per cent) of 834 Mission vehicles;
  - A By-Pass method, which allows the operation of vehicles without the identification of the driver, circumventing the Carlog device, was authorized by the Transport Section for 20 of 31 vehicles;
  - Carlog devices properly captured overspeeding data which were transmitted to the Carlog system. However, the Transport Section did not activate the automated email feature of the Carlog System, which would automatically issue a warning notification to the overspeeding drivers. Further, monitoring of overspeeding data and sanctioning of offenders were inadequate (see Recommendation 10); and
  - The Carlog system was not configured by categories of driving permits. This increased the risk of accidents of armoured or heavy utility vehicles. There were 22 drivers involved in an accident with an armoured vehicle. Two of the 22 drivers did not have the authorized driving permit to drive such vehicle.
37. The Transport Section stated that issuing the By-Pass driving permits and not properly installing Carlog devices in 249 vehicles were due to security considerations. This was however not supported by the required written endorsement and approval of the Chief Security Officer and DMS. The absence of Transport Section operational guidance and a delineation of the Section managers' roles and responsibilities (see Recommendation 2) largely contributed to the above-mentioned issues. Due to an oversight, Carlog devices were not configured by different categories of driving permits. As a result, the Mission was unable to effectively monitor and take actions on unauthorized, unsafe and inefficient use of its vehicles.

**(8) MINUSMA should: (a) install the Carlog device in all United Nations-owned vehicles, except for duly justified and approved cases; (b) activate the speed monitoring feature of the Carlog system; and (c) configure the Carlog system by the categories of driving permits such as light, armoured and heavy utility vehicles.**

*MINUSMA accepted recommendation 8 and stated that it would install Carlog in all United Nations-owned vehicles and activate the system's speed monitoring feature. It had initiated the configuration of the Carlog system by different categories of driving permits. Recommendation 8 remains open pending receipt of evidence of installation of the Carlog system in all United Nations-owned vehicles by the categories of driving permits together with activation of the speed monitoring feature.*

Need to improve monitoring of unauthorized use of vehicles and traffic offences and accidents

- (a) Insufficient reporting of traffic accidents

38. The Manual requires the following on traffic accidents: (a) drivers involved in accidents to complete an accident report and present the vehicles within 24 hours to the Transport Section for inspection; (b) the Transport Section to complete the damage/discrepancy report (DDR) together with a technical assessment report, regardless of the cost of accident; and (c) drivers to report an accident to the Special Investigation Unit (SIU) immediately or within 24 hours after the accident.

39. A review of 1,297 accident cases reported from 1 July 2015 to 31 January 2018 indicated the following:

- The Transport Section did not complete the DDRs for 792 (61 per cent) of the 1,297 accidents to assess the cost of the accidents for recovery;
- For 229 (18 per cent) of the 1,297 cases, the drivers took 38 days on average to report the accident to SIU;
- Forty-six vehicles were repaired without accident reports, DDRs and technical assessment reports at external workshops that the Mission did not have contract with, although the Mission had authorized contractors; and

(b) Drivers were not sanctioned for traffic violations.

40. The Administrative Instruction and Guideline of MINUSMA on offences involving United Nations vehicles - reporting procedures and applicable sanctions (AI/08/2017) requires sanctions to be imposed on drivers who failed to comply with DPKO/DFS and MINUSMA road safety requirements. The Administrative Instruction also requires the Transport Section to impose sanctions on drivers exceeding by more than 10 per cent of 60 and 80 kilometre per hour at built-up areas and non-built-up areas respectively for more than one continuous minute. The sanctions include the suspension and/or withdrawal of the driving permits.

41. In most cases, the Mission did not sanction drivers who violated the regulations governing the operation of Mission vehicles. For example, for 52 traffic offences and accidents from 1 July 2015 to 31 October 2017, the Mission only suspended or withdrew driving permits in 13 (25 per cent) cases. In addition, 1,168 drivers from 1 January 2017 to 31 March 2018 exceeded the speed limit but none received any sanctions. These include 832 drivers in which vehicles were driven more than 100 kilometres per hour, and 498 drivers repeatedly violated the speed limit at least 10 times.

42. The Manual requires the Transport Section to establish and implement controls to ensure that national staff drive Mission vehicles only for operational requirements. The Section did not establish measures such as requiring supervisors' approval to drive the Mission's vehicles after working hours. A review of the Carlog System records for the period from 1 January 2017 to 31 March 2018 indicated that 352 national staff and 158 local individual contractors drove the Mission's vehicles after working hours without evidence of supervisors' approval in 6,087 trips totaling about 1.6 million kilometres.

43. The above-mentioned failure to enforce required controls and sanctions happened because of the weaknesses in the functioning of RSC and the absence of Transport Section operational guidance, a delineation of the Section managers' roles and responsibilities, and a mechanism to monitor the implementation of the Section's work plan (see Recommendations 1, 2 and 6). This created a culture of impunity, further increasing overspeeding and other traffic offenses and accidents, and exposed United Nations personnel and the local population to unnecessary road safety risks.

**(9) MINUSMA should take measures: (a) to administer sanctions against individuals in all cases of violation of speed and other traffic regulations; and (b) strictly enforce the procedures for handling and reporting traffic accidents.**

*MINUSMA accepted recommendation 9 and stated that it would ensure administration of sanctions against individuals violating speed and other traffic regulations, and enforcement of procedures for handling and reporting traffic accidents. Recommendation 9 remains open pending receipt of evidence of measures taken to enforce sanctions for traffic offences and procedures for handling and reporting traffic accidents.*

## **D. Vehicle maintenance and repair**

### Controls over regular maintenance of vehicles needed improvement

44. The DFS Standard Cost and Ratio Manual (SCRM) requires missions to maintain vehicles every 5,000, 10,000 and 15,000 kilometers, called maintenance “A”, “B” and “C”, respectively. The SCRM suggests that the Transport Section complete maintenance “A”, “B” and “C” within 2, 4, and 6 hours, respectively, once the work order is issued to the workshop.

45. Regular vehicle maintenance for 719 vehicles was not always conducted as scheduled. For 48 vehicles, there were no work orders of regular maintenance, as follows: (a) for 12 vehicles, there was no record that the required “A” maintenance service was conducted; (b) for 31 vehicles, there was no record that the required “B” maintenance service was performed; and (c) for 5 vehicles, there was no record that the required “C” maintenance service was performed. This happened because although the Carlog device alerts drivers when maintenance is due, drivers did not promptly take the vehicles for regular maintenance, and the Transport Section did not activate the features in the Carlog system to monitor vehicles that were due for maintenance.

46. A review of the work orders for 503 completed regular maintenance “A”, “B” and “C” categories showed long delays in completing the maintenance tasks. The workshops took an average of 53 days to complete maintenance “A” for 20 vehicles, an average of 101 days to complete maintenance “B” for 137 vehicles and an average of 84 days to complete maintenance “C” for 10 vehicles. This was because the Section neither properly maintained work orders nor tracked the time taken to complete maintenance “A”, “B” and “C” tasks.

47. The lack of regular maintenance increases the risk of vehicles breaking down, as well as reducing the life span of vehicles. Also, delays in maintenance reduced the availability of vehicles to carry out the Mission’s tasks.

**(10) MINUSMA should: (a) activate the feature in the Carlog system to track vehicles that are due for regular maintenance; and (b) properly keep work orders for maintenance “A”, “B” and “C” tasks and track the time taken to complete the tasks.**

*MINUSMA accepted recommendation 10 and stated that it would activate the Carlog feature to track vehicles that were due for regular maintenance and implement measures to keep work orders to track time taken to complete maintenance tasks. Recommendation 10 remains open pending receipt of evidence of activation of the Carlog feature and proper maintenance of work orders.*

Need for improved controls over work orders for repair and maintenance costs

48. The Transport Section is required to monitor vehicle maintenance and repairs costs, and to maintain complete and accurate records of costs in Umoja.

49. A review of all 17,287 repair and maintenance work orders of the audit period indicated that the Transport Section did not always record the cost of the Mission's vehicle repair and maintenance in Umoja. For example, the cost of spare parts was not recorded for 596 work orders, and there was a backlog of 1,180 work/service orders for repairs and maintenance which were not recorded in Umoja.

50. The above occurred due to absence of appropriate guidance and training for work order management in Umoja to account for the cost of vehicle repair and maintenance and keep proper records. As a result, there was a risk that maintenance and repair were not done economically.

**(11) MINUSMA should develop and implement adequate procedures to record and process work orders timely, completely and accurately in Umoja to account for vehicle repair and maintenance costs.**

*MINUSMA accepted recommendation 11 and stated that it would implement procedures for the recording and processing of work orders that would be linked to Umoja. Recommendation 10 remains open pending receipt of evidence of implementation of procedures for the recording and processing of work orders in Umoja.*

#### **IV. ACKNOWLEDGEMENT**

51. OIOS wishes to express its appreciation to the management and staff of MINUSMA for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns  
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Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

**Audit of fleet management in the  
United Nations Multidimensional Integrated Stabilization Mission in Mali**

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	MINUSMA should strengthen supervision of the Vehicle Establishment Committee (VEC), to timely implement the VEC recommendations and convene VEC to review justification and utilization of the 266 specialized vehicles and dispose surplus vehicles identified.	Important	O	Implementation of the VEC recommendations and proper review of the specialized vehicles by VEC.	31 March 2019
2	MINUSMA should: (a) monitor implementation of the Section's work plans and establishment of key performance indicators; (b) provide Transport Section staff with operational guidance and delineate their roles and responsibilities; (c) conduct regular safety and technical inspections of the regional transport offices; and (d) develop and implement a training plan for the Transport Section staff.	Important	O	Receipt of evidence of finalized work plan of the Section and guidance documents and inspections of regional offices and training conducted.	30 June 2019
3	MINUSMA should complete the physical verification of the 233 vehicles and take necessary actions for any discrepancies.	Important	O	Receipt of evidence of a physical verification of all of the Mission's vehicles and actions taken for discrepancies	31 March 2019
4	MINUSMA should: (a) expedite the physical verification of its vehicle spare parts; (b) correct the records of spare parts in Umoja; and (c) establish safety stock and reorder levels taking into account the lead time for procurement and delivery, and (d) monitor stock level and consumption.	Important	O	Receipt of evidence that the Mission has completed the physical verification of vehicle spare parts, updated Umoja records and established safety stock and reorder levels taking into consideration stock and consumption levels.	30 June 2019
5	MINUSMA should take steps to: (a) enforce the requirements for loaning vehicles to contractors	Important	O	Receipt of evidence that the requirements for loaning vehicles are complied with, ownership of	30 April 2019

<sup>1</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>3</sup> C = closed, O = open

<sup>4</sup> Date provided by MINUSMA.

## STATUS OF AUDIT RECOMMENDATIONS

**Audit of fleet management in the  
United Nations Multidimensional Integrated Stabilization Mission in Mali**

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
	including proper approval and monitoring of regular maintenance of the vehicles; (b) transfer to the Mission the ownership of 28 vehicles that the former fuel contractor purchased with mobilization fees; and (c) recover all relevant cost from the contractors.			the 28 vehicles are transferred to the Mission and relevant costs have been recovered from contractors.	
6	MINUSMA should take steps to ensure that the Road Safety Committee is regularly convened to discharge its responsibility for overseeing road safety matters.	Important	O	The first meeting minutes of RSC and measures put in place, such as issuance of an administrative circular to ensure regular convening of RSC meetings.	30 April 2019
7	MINUSMA should take steps to ensure that the records required for issuing driving permits are properly maintained.	Important	O	Actions taken to adequately maintain records relating to issuance of driving permits.	30 September 2019
8	MINUSMA should: (a) install the Carlog device in all United Nations-owned vehicles, except for duly justified and approved cases; (b) activate the speed monitoring feature of the Carlog system; and (c) configure the Carlog system by the categories of driving permits such as light, armoured and heavy utility vehicles.	Important	O	Installation of the Carlog system in all United Nations-owned vehicles by the categories of driving permits together with activation of the speed monitoring feature.	30 June 2019
9	MINUSMA should take measures: (a) to administer sanctions against individuals in all cases of violation of speed and other traffic regulations; and (b) strictly enforce the procedures for handling and reporting traffic accidents.	Important	O	Measures taken to enforce sanctions for traffic offences and procedures for handling and reporting traffic accidents.	30 April 2019
10	MINUSMA should: (a) activate the feature in the Carlog system to track vehicles that are due for regular maintenance; and (b) properly keep work orders for maintenance “A”, “B” and “C” tasks and track the time taken to complete the tasks.	Important	O	Activation of the Carlog feature to track vehicles due for regular maintenance and proper recording of work orders including time taken to complete maintenance tasks.	30 April 2019
11	MINUSMA should develop and implement adequate procedures to record and process work	Important	O	Implementation of procedures for the recording and processing of work orders in Umoja.	31 July 2019

## STATUS OF AUDIT RECOMMENDATIONS

**Audit of fleet management in the  
United Nations Multidimensional Integrated Stabilization Mission in Mali**

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
	orders timely, completely and accurately in Umoja to account for vehicle repair and maintenance costs.				

# **APPENDIX I**

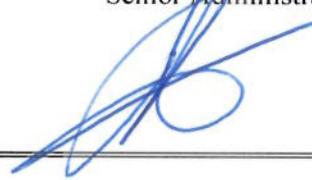
## **Management Response**



FACSIMILE

10 October 2018

Reference: MINUSMA/ODMS/2018/392

<b>TO:</b> Mr. Daeyoung Park Chief, Peacekeeping Audit Service Internal Audit Division, OIOS, Entebbe	<b>FROM:</b> Michael Mulinge Kitivi Director of Mission Support 
<b>ATTN:</b> Mr. Seydou Sirpe Chief Resident Auditor, OIOS Bamako	
<b>INFO:</b>	
<b>FAX #:</b>	<b>FAX #:</b>
<b>TEL #:</b>	<b>TEL #:</b>
<b>SUBJECT: Draft report on an audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in Mali (Assignment No:AP2017/641/05)</b>	
Total number of transmitted pages including this page: 5	
<ol style="list-style-type: none"><li>1. Reference is made to your facsimile: IAD-17/641/05 dated 02 October 2018.</li><li>2. Please find attached MINUSMA's response to the findings and recommendations that OIOS considered important in the report.</li><li>3. We have taken note of the mentioned area and are determined to take the necessary actions to improve the efficiency and effectiveness of MINUSMA operations.</li><li>4. The Mission's comments on OIOS' recommendations are attached herewith.</li></ol>	
Best regards.	
<b>Drafted by:</b> Boniface Mailu AA/RMCU 	<b>Authorized by:</b> John Rodopoulos Senior Administrative Officer 
<b>Through:</b> Adja Sakho, RMCU 	

## Management Response

## Audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
1	MINUSMA should strengthen supervision of the Vehicle Establishment Committee (VEC), consistently implement the VEC recommendations and convene the VEC to review justification and utilization of the 266 specialized vehicles.	Important	Yes	Chief Transport Officer	31 March 2019	MINUSMA concurs with the recommendation. Transport Section has put measures in place to strengthen the supervision of the Vehicle Establishment Committee (VEC) as there is available car log data specialized vehicles & equipment. Once all the data is collected, it will be presented to the VEC for review and the findings will be shared with the Department of Field Support (DFS).
2	MINUSMA should take measures to strengthen oversight of the Transport Section to ensure fulfillment of its key responsibilities, including: (a) monitoring implementation of the Section's work plans and establishment of key performance indicators; (b) providing Transport Section staff with operational guidance and delineating their roles and responsibilities; (c) conducting regular safety and technical inspection of the regional transport offices; and (d) developing and implementing a training plan for the Transport Section staff.	Important	Yes	Chief Transport Officer	30 June 2019	MINUSMA agrees with the recommendation: (a) Transport Section's work plan for the year 2018/2019 is ongoing and will be completed soon. (b) Standard Operating Procedures (SOPs) and inter-office memos (IOMs) for operational guidance for staff are ongoing. (c) Safety and Inspection planning program for all regional transport offices is ongoing. (d) A training plan for Transport Section is in place and has been distributed to all staff to strengthen and improve their performance.

<sup>1</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## Management Response

## Audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
3	MINUSMA should complete the physical verification of the 233 vehicles and take necessary actions for any discrepancies.	Important	Yes	Chief Transport Officer	31 March 2019	MINUSMA concurs with the recommendation. The physical verification of the 233 vehicles is ongoing and an update of asset inventory is being populated in UMOJA and in case of any discrepancies, an action plan will be prepared.
4	MINUSMA should: (a) expedite the physical verification of its vehicle spare parts; (b) correct the records of spare parts in Umoja; and (c) establish safety stock and reorder level, taking into account the lead time for procurement and delivery, and monitor stock level and consumption.	Important	Yes	Chief Transport Officer	30 June 2019	MINUSMA agrees with the recommendation. (a) The Transport Section is working in coordination with the Central Warehouse to ensure that the physical verification of vehicle spare parts is expedited. (b) Measures will be put in place to ensure that the correct spare parts are recorded in UMOJA. (c) Through collaboration between the transport and central warehouse units, a safety stock and reorder level will be established to reduce the lead time and to monitor the stock levels.
5	MINUSMA should take steps to: (a) enforce the requirements for loaning vehicles to contractors including proper approval and monitoring of regular maintenance of the vehicles; (b) transfer to the Mission the ownership of 28 vehicles that the former fuel contractor	Important	Yes	Chief Transport Officer	30 April 2019	The Mission concurs with the recommendation and is taking steps: (a) To enforce the requirements for loaning vehicles to contractors, the Mission has taken corrective measures by scrutinizing the MOUs.

## Management Response

## Audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
	purchased with mobilization fees; and (c) recover all relevant cost from the contractors.					(b) To provide an update on all approvals and appropriate documents related to the loaned vehicles/equipment and corrective action is being taken. (c) To ensure that relevant costs from contractors are recorded and all the recoveries are made.
6	MINUSMA should take steps to ensure that the Road Safety Committee is regularly convened to discharge its responsibility for overseeing road safety matters.	Important	Yes	Chief Transport Officer	30 April 2019	MINUSMA has already established a Road Safety Committee and will convene its first meeting soon.
7	MINUSMA should take steps to ensure that the records required for issuing driving permits are properly maintained.	Important	Yes	Chief Transport Officer	30 September 2019	The Mission agrees with the recommendation and an appropriate action will be taken to ensure that the records required for issuing driving permits are properly maintained.
8	MINUSMA should: (a) install the Carlog device in all United Nations-owned vehicles, except for duly justified and approved cases; (b) activate the speed monitoring feature of the Carlog System; and (c) configure the Carlog System by the categories of driving permits such as light, armoured and heavy utility vehicles.	Important	Yes	Chief Transport Officer	30 June 2019	MINUSMA concurs with the recommendation; (a) Transport Section will ensure to install the car log device in all UNOE except for duly justified and approved cases. (b) Transport Section will activate the speed monitoring feature of the car log system. (c) Transport Section has already started the process of configuring the car log system by the categories of driving permits.

## Management Response

## Audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
9	MINUSMA should take measures: (a) to administer sanctions against individuals in all cases of violation of speed and other traffic regulations; and (b) strictly enforce the procedures for handling and reporting traffic accidents.	Important	Yes	Chief Transport Officer	30 April 2019	The Mission concurs with the recommendation to ensure that: (a) Sanctions against individuals in cases of violation of speed and other traffic regulations are administered and implemented. (b) Procedures for handling and traffic regulations are strictly enforced and the matters brought to the Road Safety Council meetings.
10	MINUSMA should: (a) activate the feature in carlog to track vehicles that are due for regular maintenance; and (b) properly keep work orders for maintenance "A", "B" and "C" tasks and track the time taken to complete the tasks.	Important	Yes	Chief Transport Officer	30 April 2019	The Mission agrees with the recommendations: (a) Transport Section will activate the feature in the car log to track vehicles that are due for regular maintenance. (b) Measures will be put in place to ensure that work orders are properly kept for maintenance A, B & C and to track the time taken in completing the assigned tasks.
11	MINUSMA should develop and implement adequate procedures to record and process work orders timely, completely and accurately in Umoja to account for vehicle repair and maintenance costs.	Important	Yes	Chief Transport Officer	31 July 2019	MINUSMA concurs with the recommendation. An appropriate action to develop and implement adequate procedures to record and process work orders timely will be taken and be linked to Umoja to account for vehicle repair and maintenance costs.