



## **INTERNAL AUDIT DIVISION**

### **AUDIT REPORT 2013/090**

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#### **Audit of use of official vehicles in Kenya by the United Nations Support Office for the African Union Mission in Somalia and the United Nations Political Mission for Somalia**

**Overall results relating to effective use of official vehicles in Kenya by UNSOA and UNPOS were initially assessed as partially satisfactory. Implementation of two important recommendation remains in progress**

**FINAL OVERALL RATING: PARTIALLY SATISFACTORY**

**8 November 2013  
Assignment No. AP2012/638/08**

# CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. OBJECTIVE AND SCOPE	1-2
III. AUDIT RESULTS	2-4
A. Regulatory framework	2-4
IV. ACKNOWLEDGEMENT	4
ANNEX I      Status of audit recommendations	
APPENDIX I   Management response	

# AUDIT REPORT

## **Audit of use of official vehicles in Kenya by the United Nations Support Office for the African Union Mission in Somalia and the United Nations Political Mission for Somalia**

### **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of use of official vehicles in Kenya by the United Nations Support Office for the African Union Mission in Somalia (UNSOA) and the United Nations Political Mission for Somalia (UNPOS).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure: (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. The UNSOA Transport Section provided transport services to UNSOA and UNPOS in Nairobi, Mombasa and Mogadishu. The Section was headed by the Chief Transport Officer at the P-4 level, had 11 authorized posts, and was supported by 12 individual contractors. At the time of the audit, UNSOA and UNPOS had 77 and 25 vehicles in Nairobi and Mombasa, Kenya, respectively and 60 vehicles in Somalia. The acquisition cost of the UNSOA/UNPOS vehicles was \$3.7 million, for which \$2.2 million were for those vehicles located in Kenya. The maintenance costs for vehicles located in Kenya totaled \$216,000 for the period from 1 July 2011 to 31 October 2012. UNSOA had also rented 27 shuttle vehicles to supplement transportation services in Nairobi and Mombasa at a cost of \$587,000 for the period 1 July to 31 August 2012.
4. In July 2011, for UNSOA and UNPOS staff, Nairobi and Mombasa in Kenya were designated as family duty stations. Mogadishu and other locations in Somalia continue to be designated as non-family duty stations.
5. UNSOA was responsible for the administrative and budgetary functions of UNPOS, which was liquidated due to the establishment of the United Nations Assistance Mission in Somalia (UNMOS).
6. Comments provided by UNSOA are incorporated in italics.

### **II. OBJECTIVE AND SCOPE**

7. The audit was conducted to assess the adequacy and effectiveness of UNSOA governance, risk management and control processes in providing reasonable assurance regarding the **effective use of official vehicles in Kenya by UNSOA and UNPOS**.
8. The audit was included in the 2012 OIOS risk-based work plan due to the financial and reputational risks related to the high usage of official vehicles for non-operational activities.
9. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this control as the one that provides reasonable assurance that policies and procedures: (i) exist to guide the use, management and administration of official vehicles; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.

10. The key control was assessed for the control objectives shown in Table 1.

11. OIOS conducted the audit in October and November 2012. The audit covered the period from 1 July 2011 to 30 June 2012. The audit did not include the use of official vehicles in Mogadishu and sectors in Somalia, as these locations were non-family duty stations, and vehicles were generally only used for operational activities.

12. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key control in mitigating associated risks. Through interviews, analytical reviews, tests of controls and physical verifications, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

### III. AUDIT RESULTS

13. The UNSOA governance, risk management and control processes examined were **partially satisfactory** in providing reasonable assurance regarding the **effective use of official vehicles in Kenya by UNSOA and UNPOS**. OIOS made two recommendations to address the issues identified. Following the designation of Nairobi and Mombasa as family duty stations for staff, effective 1 July 2011, UNSOA/UNPOS continued to allow staff to use official vehicles for travelling from home to work without reimbursing the associated cost. While UNSOA stated that the size of their vehicle fleet equaled the standards and ratios for field missions, OIOS estimated that 80 per cent of its vehicles in Nairobi and Mombasa were only used for transporting staff from their home to the office. This needed to be reviewed to ensure that the established vehicle fleet was in line with operational requirements.

14. The initial overall rating was based on the assessment of key controls presented in Table 1. The final overall rating is **partially satisfactory** as implementation of two important recommendation remains in progress.

**Table 1: Assessment of key controls**

Business objective	Key control	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
<b>Effective use of official vehicles in Kenya by UNSOA and UNPOS</b>	Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
<b>FINAL OVERALL RATING: PARTIALLY SATISFACTORY</b>					

## **Regulatory framework**

### The policy on the use of vehicles for transporting staff from home to work at the cost of the United Nations needed to be revised

15. In accordance with the Department of Peacekeeping Operations (DPKO)/Department of Field Support (DFS) Surface Transport Manual dated 2012, transportation to and from work may be deemed as official travel only after taking into consideration such factors as the prevailing operational status and security situation in the duty station. With a number of peacekeeping operations being located in family duty stations, the Logistics Support Division of DFS was developing a policy on the use of United Nations vehicles in family duty stations. It was envisaged that the policy would be included in the revised Surface Transport Manual, planned to be issued in December 2013.

16. In the absence of a DFS policy, some missions had developed local policies for addressing the use of vehicles in family duty stations. For example, when Khartoum and Port Sudan in Sudan and Entebbe in Uganda became family duty stations in the African Union-United Nations Hybrid Operation in Darfur (UNAMID), effective 1 July 2011, UNAMID issued an Administrative Instruction, dated 25 January 2012 on the use of vehicles clarifying that vehicles were provided for official duties, and there was no obligation for the Mission to authorize use of vehicles for non-duty purposes. The UNAMID Instruction further clarified that UNAMID vehicles may be used in these new family duty stations for non-duty purposes; but that this would be classed as liberty use and the related charges would be recovered from staff members.

17. UNSOA did not adequately address the vehicle situation once Nairobi and Mombasa became family duty stations. In August 2012, UNSOA issued an Administrative Circular revising its policy on the use of official vehicles; but did not discontinue allowing staff to use United Nations vehicles for traveling between home and work. While the circular stated that “the use of vehicles in family duty stations is strictly limited to official travel” it later mentioned that “staff members shall continue to use United Nations vehicles assigned to their relevant sections to and from work by sharing arrangements.” UNSOA advised that travelling from home to work was in its view official travel. This decision had been made as UNSOA/UNPOS staff could not be considered to be performing duties typical to other United Nations staff in those locations, as they conducted non-routine and specialized functions that were sometimes carried out at short notice and at unsocial hours. OIOS noted that all staff in UNSOA/UNPOS were not conducting non-routine and specialist functions, and those related sections were routinely assigned United Nations vehicles, which were mainly used for non-operational activities.

18. UNSOA/UNPOS had a large vehicle fleet in comparison to its operational requirements. For example, there were 102 vehicles for use by the 134 international staff that were based in Nairobi and Mombasa. Some 65 of these vehicles were allocated to sections and the remaining 37 to the Transport Section’s vehicle pool. The vehicles in the pool were also allocated to staff for use on a temporary basis when available. OIOS’ analysis showed that over 80 per cent of these light vehicles in Nairobi and Mombasa were only used for transporting staff from home to work. Therefore, considerable savings could be achieved if UNSOA reviewed and optimized the size of its vehicle fleet to be in line with operational requirements.

19. The decision of UNSOA/UNPOS to routinely allocate United Nations vehicles to sections and made available to staff for travel from home to work resulted in inefficiencies, as the size of the vehicle fleet exceeded operational requirements. There were also additional overhead and vehicle maintenance costs associated with a larger fleet that could be avoided. Additionally, there was a reputational risk as

maintaining a large vehicle fleet mainly for use by staff for non-operational activities negatively impacted on UNSOA, as other United Nations staff members working in the United Nations in Kenya, for example staff located in the compound in Nairobi, were not afforded with the entitlement to use United Nations vehicles for regular travel from home to work.

**(1) UNSOA, prior to the implementation of the Department of Field Support vehicle policy for family duty stations, should implement interim measures to discontinue using vehicles in Kenya for travel between home and work without reimbursement and reduce the size of its vehicle fleet considering the low usage of vehicles on operational activities.**

*UNSOA accepted recommendation 1 and stated that the footprint established by UNPOS in Kenya was expected to shrink considerably with an associated reduction in the number of vehicles in Nairobi. Thirteen vehicles in Nairobi had been scheduled for write-off and disposal and Management would conduct a comprehensive review of the vehicle fleet to make reductions where practicable. Recommendation 1 remains open pending receipt of evidence that a comprehensive review of the vehicle fleet has been conducted and reductions made accordingly.*

Trip tickets were not effective in monitoring the use of official vehicles

20. UNSOA had implemented a procedure on completing trip tickets to monitor the use of official vehicles. However, trip tickets were not: (a) consistently used by staff members; and (b) regularly reviewed by the Transport Section for accuracy and reasonableness, as evidenced by a number of errors, inaccuracies and omissions in the tickets for 22 out of the 80 vehicles reviewed by OIOS.

**(2) UNSOA should establish a mechanism for ensuring that trip tickets are: (a) completed and filed in a timely manner by all users of official vehicles as required by the Department of Peacekeeping Operations/Department of Field Support Surface Transport Manual; and (b) reviewed for accuracy and reasonableness by the Transport Section.**

*UNSOA accepted recommendation 2 and stated that it had installed the electronic Carlog system and this system was being activated in all UNSOA and UNSOM vehicles in Kenya. The system collected and transmitted data on the use of the vehicle, would monitor fuel consumption and liberty usage, and prevented unauthorized use of vehicles. Recommendation 2 remains open pending the receipt of evidence that the Carlog system has been activated in all official vehicles.*

#### **IV. ACKNOWLEDGEMENT**

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

(Signed) David Kanja  
Assistant Secretary-General for Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

**Audit of use of official vehicles in the United Nations Support Office for the African Union Mission in Somalia and the United Nations Political Mission for Somalia**

<b>Recom. no.</b>	<b>Recommendation</b>	<b>Critical<sup>1</sup>/ Important<sup>2</sup></b>	<b>C/ O<sup>3</sup></b>	<b>Actions needed to close recommendation</b>	<b>Implementation date<sup>4</sup></b>
1	UNSOA, prior to the implementation of the Department of Field Support vehicle policy for family duty stations, should implement interim measures to discontinue using vehicles for travel between home and work without reimbursement and reduce the size of its vehicle fleet considering the low usage of vehicles on operational activities.	Important	O	Receipt of evidence that a comprehensive review of the vehicle fleet has been conducted and reductions made accordingly.	March 2014
2	UNSOA should establish a mechanism for ensuring that trip tickets are: (a) completed and filed in a timely manner by all users of official vehicles as required by the Department of Peacekeeping Operations/Department of Field Support Surface Transport Manual; and (b) reviewed for accuracy and reasonableness by the Transport Section.	Important	O	Receipt of evidence that the Carlog system has been activated in all official vehicles.	December 2013

<sup>1</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal 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 deficiencies or weaknesses in governance, risk management or internal 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 UNSOA

# **APPENDIX I**

## **Management Response**



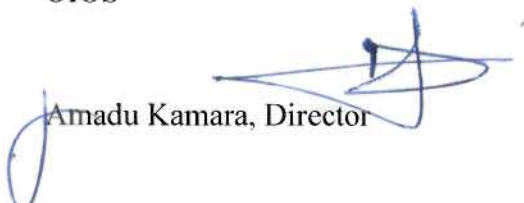


**United Nations Support Office for AMISOM (UNSOA)**

**Interoffice Memorandum**

To: Ms. Eleanor T. Burns, Chief  
Peacekeeping Audit Service  
Internal Audit Division  
OIOS

Date: 29 October 2013

From:  Amadu Kamara, Director

Ref: UNSOA/0813/M.0073

Subject: **Re: Draft Report on an Audit of the use of official UNSOA and UNPOS vehicles in Kenya (Assignment No. AP2012/638/08)**

Further to our memorandum of 24 October 2013, please find attached a table showing the combined responses to Recommendations 1 and 2 of the subject audit exercise.

Best regards,

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cc: Ms. Andrea Charles-Browne, Chief Resident Auditor, UNSOA  
Ms. Anna Halasan, Professional Practices Section, Internal Audit Division, OIOS  
Mr. Meli Wainabuli, Chief Transport Officer, UNSOA

<i>Rec no.</i>	<i>Recommendation</i>	<i>Critical1 Important2</i>	<i>Accepted? (Y/N)</i>	<i>Title of responsible individual</i>	<i>Implementation date</i>	<i>Client comments</i>
1	UNSOA, prior to the implementation of the Department of Field Support vehicle policy for family duty stations, should implement interim measures to discontinue using vehicles for travel between home and work without reimbursement and reduce the size of its vehicle fleet considering the low usage of vehicles on operational activities.	Important	Yes	Chief Transport Officer	March 2014	<p>While Management accepts the recommendation, it should be noted that while UNSOA and UNPOS (and now UNSOM) operations in Kenya are indeed within the setting of family duty stations. Mission staff duties are not typical of other UN staff in Kenya. As indicated earlier, peace support operations entail non-routine and specialized functions, often carried out at short notice and at unsociable hours. The establishment of UNSOM in Somalia means that UNSOA staff in Nairobi must adopt an appropriate posture to support UNSOM on all days of the week, which requires the provision of vehicles for essential transport.</p> <p>Nevertheless, the erstwhile footprint established by UNPOS in Kenya is expected to shrink considerably, with an associated reduction in the number of vehicles in Nairobi. Currently, thirteen vehicles in Nairobi are scheduled for write-off and disposal, and management will continue to review the fleet to make reductions where practicable.</p> <p>It should also be noted that the current fleet of vehicles maintained by UNSOA in Nairobi is consistent with established DFS standards. Management will ensure that any necessary further adjustment is made upon the promulgation of revised policy by DFS.</p> <p>Management submits that allowing international staff to use vehicles from workplace to residence, when the vehicles are not required for functional duties, does not imply an additional resource burden for UNSOA. In addition, when staff use UN vehicles for liberty purposes, they are required to reimburse the Organization accordingly.</p> <p>Management also requests the Auditors to take into consideration the nature and operational tempo of UNSOA and UNSOM activities, which do not always allow for predictable planning in the deployment of staff. Consequently, management cannot require staff members currently working in Nairobi or Mombasa to embark upon the purchase of a personal vehicle, when they could be redeployed to Mogadishu or Beletwene at very short notice.</p>

						Notwithstanding the actions already taken to implement this recommendation, Management will institute a comprehensive review to effect reductions in the UNSOA fleet strength by March 2014.
2	UNSOA should establish a mechanism for ensuring that trip tickets are: (a) completed and filed in a timely manner by all users of official vehicles as required by the DPKO/DFS Surface Transport Manual. And (b) reviewed for accuracy and reasonableness by the Transport Section.	<b>Important</b>	<b>Yes</b>	Chief Transport Officer	Implemented October 2013	Management agrees on the need for accurate and timely information on the usage of vehicles. In this respect Management seeks to advise the auditors that the electronic Carlog system has been installed and is being activated in all UNSOM and UNSOA vehicles in Kenya. The Carlog system collects and transmits data on the use of vehicles and has replaced Trip Tickets. The Carlog will monitor fuel uptake and liberty usage, and in addition prevents unauthorized use of vehicles as the vehicles can only be started with an encoded driving permit. Management therefore requests that this recommendation be considered closed with the implementation of Carlog.

- 1 Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.
- 2 Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.
- 3 Please indicate feasibility and realistic timelines for implementation of the recommendation.