



Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2014/123

Audit of movement control operations in the United Nations Support Office for the African Union Mission in Somalia

Overall results relating to effective management of movement control operations in the United Nations Support Office for the African Union Mission in Somalia were initially assessed as unsatisfactory. Implementation of two critical and five important recommendations remains in progress

FINAL OVERALL RATING: UNSATISFACTORY

8 December 2014

Assignment No. AP2013/638/03

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AUDIT REPORT

Audit of movement control operations in the United Nations Support Office for the African Union Mission in Somalia

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of movement control operations in the United Nations Support Office for the African Union Mission in Somalia (UNSOA).
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 Movement Control (MovCon) Section was responsible for planning, organizing, coordinating, executing and controlling the movement of personnel and cargo. Its operations were guided by the draft Department of Peacekeeping Operations (DPKO)/Department of Field Support (DFS) Movement Control Manual and UNSOA standard operating procedures. The MovCon Section was headed by a Chief at the P-4 level and had 21 staff including 9 international and 12 national staff. The Section's staffing was complemented by 6 individual contractors and 67 troop members from the African Union Mission in Somalia (AMISOM) with delegated movement control functions such as screening of passengers and conducting security inspections.
4. UNSOA budgets for movement control operations were \$43.1 million and \$39 million for fiscal years 2012/13 and 2013/14 respectively. During the period 1 July 2012 to 31 December 2013, UNSOA transported 60,000 passengers by air. In 2012, UNSOA transported 2,931 containers and 2,085 metric tons of loose cargo by sea, and 6,816 metric tons of goods by road. In 2013, UNSOA transported 2,217 containers and 2,671 metric tons of loose cargo by sea, and 10,690 metric tons of goods by road.
5. Comments provided by UNSOA are incorporated in italics.

II. OBJECTIVE AND SCOPE

6. 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 management of movement control operations by UNSOA**.
7. The audit was included in the 2013 risk-based work plan of OIOS due to operational risks related to ineffective movement control operations.
8. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this key control as the one that provides reasonable assurance that policies and procedures: (a) exist to guide the effective management of movement control operations; (b) are implemented consistently; and (c) ensure the reliability and integrity of financial and operational information.
9. The key control was assessed for the control objectives shown in Table 1.
10. OIOS conducted this audit from October to December 2013. The audit covered the period from 1 July 2012 to 31 December 2013.

11. 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 and analytical reviews, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness. The audit was conducted in Nairobi, Kenya and field visits were made to Mombasa, Kenya and Mogadishu, Somalia. Visits to the other sectors in Somalia were not performed due to security constraints.

III. AUDIT RESULTS

12. The UNSOA governance, risk management, and control processes examined were initially assessed as **unsatisfactory**¹ in providing reasonable assurance regarding the **effective management of movement control operations in UNSOA**. OIOS made seven recommendations to address the issues identified. UNSOA had standard operating procedures for managing movement control operations, which needed to be finalized and implemented. UNSOA also needed to: (a) provide additional training and certification to UNSOA and AMISOM personnel; (b) develop and report on key performance indicators; (c) recover costs from its non-mandated clients for services provided; and (d) retain the required records such as movement of personnel forms and general release from liability forms in support of air passenger operations.

13. The initial overall rating was based on the assessment of the key control presented in Table 1. The final overall rating is **unsatisfactory** as implementation of two critical and five important recommendations remains in progress.

Table 1: Assessment of key control

Business objective	Key control	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of movement control operations in UNSOA	Regulatory framework	Unsatisfactory	Partially satisfactory	Partially satisfactory	Unsatisfactory
FINAL OVERALL RATING: UNSATISFACTORY					

Regulatory framework

Additional standard operating procedures needed to be finalized and implemented

14. The DPKO/DFS Movement Control Manual required missions to develop standard operating procedures to guide staff in performing their functions effectively. The MovCon Section’s 2013/14 work plan included a goal to develop additional procedures for managing movement control operations.

¹ A rating of “**unsatisfactory**” means that one or more critical and/or pervasive important deficiencies exist 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.

15. The MovCon Section had developed five standard operating procedures for movement control operations that were approved by the Director of UNSOA in 2010 and 2011. The Section had also drafted a further 20 procedures that were at various stages of completion. UNSOA had not finalized and issued these procedures as it was revising its organizational structure. As a result, movement control roles and responsibilities were not always clear.

(1) UNSOA should finalize draft standard operating procedures on movement control operations.

UNSOA accepted recommendation 1 and stated that it would finalize and disseminate the master standard operating procedures by January 2015. Recommendation 1 remains open pending receipt of a copy of the final standard operating procedures on movement control operations.

Reporting on key performance indicators needed to be reinstated

16. The DPKO/DFS Movement Control Manual required MovCon sections to determine work processes and methodologies needed to achieve the objectives and accomplish the role of movement control. The MovCon Section's work plans provided for the preparation of key performance indicators.

17. A review of MovCon Section work plans for fiscal years 2012/13 and 2013/14 and available movement control reports indicated that measures were in place for developing key performance indicators and for monitoring them. However, UNSOA had discontinued reporting on these indicators in February 2012 as it planned to revise them. As a result, there was not an effective mechanism for monitoring and reporting on the time taken to complete movement control processes and to ensure that bottlenecks were identified and appropriate action was taken to improve them. For example, an analysis of the process from the arrival of shipments at the port to the submission of shipping documents to the United Nations Office in Nairobi took an average of 19.5 days in 2012 and 36.5 days in 2013. UNSOA had established a key performance indicator of five days for this process.

(2) UNSOA should establish key performance indicators for important movement control processes and implement mechanisms for monitoring and reporting on them.

UNSOA accepted recommendation 2 and stated that it had introduced key performance indicators for the MovCon Shipping Unit, while those for all other MovCon units would be in place by January 2015. Recommendation 2 remains open pending receipt of evidence that UNSOA has established key performance indicators for important movement control processes and has implemented a process for monitoring and reporting on them.

UNSOA had not implemented cost recovery procedures for services provided to non-mandated clients

18. The DPKO/DFS Aviation Manual restricted the use of United Nations aircraft to official purposes as authorized by the Director of UNSOA. The United Nations financial rules required written agreements between the United Nations and beneficiaries of services, specifying the nature of services and any related reimbursements.

19. UNSOA did not have a policy on the use of its aircraft by non-UNSOA and non-AMISOM personnel or a procedure for reimbursement of associated costs, and had not established written agreements with third-party users. OIOS calculated that of the 26,558 civilian passengers that travelled during the audit period, 1,410 (5 per cent) were staff of other United Nations agencies, funds and programmes and 1,919 (7 per cent) were non-United Nations/non-AMISOM personnel. However, UNSOA had not recovered the related costs, estimated at \$1.9 million. In addition, in 2012 and 2013, the

MovCon Section shipped 2,714 and 678 metric tons of donations to AMISOM and the Government of Somalia such as vehicles, equipment and supplies, without requesting reimbursement of cargo costs, which were estimated at \$2.2 million. The lack of policy on reimbursement of air services provided to non-UNSOA/AMISOM personnel resulted in financial loss of \$4.1 million.

(3) UNSOA should develop and implement a policy on air services to be provided to non-UNSOA and non-AMISOM personnel, and the recovery of costs of such services.

UNSOA accepted recommendation 3 and stated that it had: (a) implemented an administrative circular on 27 June 2014 that outlined the provisions for the carriage of various categories of passengers on flights; and (b) started to obtain reimbursement for the cost of transporting contractors' personnel. It would issue by January 2015 another administrative circular on the carriage of cargo. Recommendation 3 remains open pending receipt of evidence of the implementation of policy on air services to be provided to non-UNSOA and non-AMISOM personnel and their recovery.

Insufficient staff members were certified in handling dangerous goods

20. The DPKO/DFS Movement Control Manual required movement control staff to be certified in handling dangerous goods. UNSOA standard operating procedures on cargo movement also required shippers' declarations for dangerous goods to be compiled by persons with current certifications in handling dangerous goods.

21. UNSOA had been providing certification training on handling of dangerous goods to staff of the MovCon and other sections, and awareness and refresher training to relevant staff and AMISOM personnel deployed to the MovCon Section. However, as of March 2014, the dangerous goods handling licenses of all 14 certified UNSOA MovCon Section staff and 16 staff from other UNSOA self-accounting units had expired as UNSOA had not provided recertification training in a timely manner. The lack of adequately trained staff in handling dangerous goods reduced the effectiveness of the cargo screening process and could compromise staff safety and security.

(4) UNSOA, in collaboration with AMISOM, should provide recertification training on a timely basis to ensure adequately qualified personnel are available for handling dangerous goods.

UNSOA accepted recommendation 4 and stated that all relevant personnel would participate in the dangerous goods training scheduled for January 2015 and be recertified to handle dangerous goods. Recommendation 4 remains open pending receipt of evidence that UNSOA and AMISOM staff involved in the handling of dangerous goods are properly certified.

Additional training needed to be provided and level three evaluations conducted

22. UNSOA was required to train AMISOM personnel on relevant topics in a timely manner and to conduct periodic evaluations of the effectiveness of the training.

23. A review of the MovCon Section and the UNSOA Training Unit records indicated that 66 out of the 67 AMISOM personnel assigned to the MovCon Section as of December 2013 had been trained in movement control-related topics. However, these trainings were not provided on a timely basis due to the lack of staff assigned to conduct trainings. For example, 16 AMISOM personnel were provided the movement control training between 4 and 15 months after their deployment to the MovCon Section, as UNSOA did not have Training Unit staff in Mogadishu. As a result, AMISOM personnel were assigned

movement control responsibilities without being adequately trained, affecting their effectiveness to perform the required functions.

24. UNSOA also did not conduct level-3 evaluations of trainings provided to AMISOM except for those done in January 2013 for the training provided in May/June 2012. Consequently, UNSOA did not: (a) assess whether the trainings were effective; (b) make any necessary adjustments in training programmes and curricula; and (c) assess retraining needs. There was also no process in place to measure whether the training provided had an effect on improving movement control operations.

(5) UNSOA should: (a) implement procedures to ensure that adequate training is provided in a timely manner to AMISOM personnel assigned to movement control operations; and (b) conduct level-3 evaluations within three to six months from when the trainings are delivered.

UNSOA accepted recommendation 5 and stated that it was working on obtaining a long-term contract for the training of AMISOM personnel in their functional responsibilities. Recommendation 5 remains open pending receipt of a copy of the long-term contract for training AMISOM personnel and evidence that they have been trained in relevant movement control functions; and (b) level-3 evaluations of the training are being conducted on a timely basis.

Insufficient documentation related to passenger travel was maintained

25. The MovCon Section's standard operating procedures required that travel be approved by the Section Chief (or his/her designee) of the traveller and authorized by a designated approving officer. A review of 28 United Nations passengers' records using UNSOA flights during the audit period indicated that 20 of the 28 had not been properly processed and approved. This included 19 with no requests and thus no approvals. As a result, UNSOA had not demonstrated that all passengers using UNSOA aircraft had been authorized, increasing the risk of unauthorized persons flying on United Nations aircraft.

26. The MovCon Section's standard operating procedures required each non-United Nations passenger prior to boarding an aircraft to present signed general release from liability form (waiver), movement of personnel requests and passenger booking forms. However, a review of 25 non-United Nations passengers' records for January, March and November 2013 indicated that UNSOA had not retained documentation to support these passengers' travel, as AMISOM and non-United Nations passengers did not have access to the United Nations Field Support Suite system to submit movement of personnel forms electronically, and the manually prepared documents were either lost or misfiled. The lack of travel records increased the risk of United Nations being held liable in case of an accident.

(6) UNSOA should implement procedures and provide additional training and tools to staff to ensure that the required travel records are maintained for passengers traveling on United Nations aircraft.

UNSOA accepted recommendation 6 and confirmed that all travel documents of all air passengers were maintained and recorded, and that the electronic movement of personnel system was being introduced for non-United Nations personnel. Recommendation 6 remains open pending OIOS verification that adequate procedures are implemented and working effectively to support authorized travel of passengers by UNSOA aircraft.

Movement of cargo was supported by cargo movement requests

27. The DPKO/DFS Movement Control Manual required the requestor, when initiating the movement of cargo, to submit an authorized cargo movement request to the MovCon Section Cargo Management Unit. A review of 12 of the 36 sea shipments that were made from the Mombasa Support Base, Kenya during the audit period, and 12 out of the 119 outgoing road shipments that were made from the Mogadishu Logistics Base, indicated that UNSOA complied with documentation and approval requirements for the movement of cargo, as they were approved by authorized officials. OIOS concluded that procedures for the movement of cargo were adequate and working as intended.

Use of substandard trucks by third-party logistics contractors

28. Contracts between UNSOA and its third-party logistics contractors required the contractors to ensure their equipment and personnel conformed to national and international safety and security standards.

29. Some of the trucks provided to UNSOA by third-party logistics contractors were not roadworthy, and were not equipped with twist locks to secure containers to their beds. The MovCon Section had not raised these quality concerns in the cargo discrepancy reports that it submitted to the Contract Management Section for follow-up actions with concerned contractors regarding breaches of contractual obligations related to the defective trucks. As a result, UNSOA continued to procure services from contractors who were providing poor quality trucks, increasing safety hazards to UNSOA/AMISOM personnel.

(7) UNSOA should conduct periodic inspections of trucks provided by contractors and exercise its contractual right to cancel any movement of cargo by land when trucks and equipment provided are assessed as not roadworthy or not in safe condition.

UNSOA accepted recommendation 7 and stated that in locations where movement control personnel were present, those personnel would assess the condition of the truck provided by third-party logistics contractors for roadworthiness, and that it would maintain records of such inspections. Recommendation 7 remains open pending receipt of evidence that UNSOA is conducting inspections of trucks and addressing noncompliance issues.

Coordination with other relevant sections was generally effective

30. The MovCon Section was responsible for coordinating aspects of the movement of personnel and cargo within the area of operations of UNSOA and to/from the AMISOM mission area. The MovCon Section coordinated with sections in the movement control processes including with: (a) the Aviation Section regarding the regular publication of flight schedules; (b) self-accounting units and AMISOM regarding shipments to and within Somalia; and (c) the security services of Kenya and Somalia regarding passenger movements. OIOS concluded that effective coordination mechanisms over movement of control operations were generally in place.

IV. ACKNOWLEDGEMENT

31. 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 movement control operations in the United Nations Support Office for the African Union Mission in Somalia

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1.	UNSOA should finalize draft standard operating procedures on movement control operations.	Important	O	Receipt of a copy of the final standard operating procedures on movement control operations.	31 January 2015
2.	UNSOA should establish key performance indicators for important movement control processes and implement mechanisms for monitoring and reporting on them.	Important	O	Receipt of evidence that UNSOA has established key performance indicators for important movement control processes and the corresponding mechanisms for their monitoring and reporting.	31 January 2015
3.	UNSOA should develop and implement a policy on air services to be provided to non-UNSOA and non-AMISOM personnel, and the recovery of costs of such services.	Critical	O	Receipt of evidence of the implementation of policy on air services to be provided to non-UNSOA and non-AMISOM personnel and their recovery.	January 2015
4.	UNSOA, in collaboration with AMISOM, should provide recertification training on a timely basis to ensure adequately qualified personnel are available for handling dangerous goods.	Important	O	Receipt of evidence that UNSOA and AMISOM staff involved in the handling of dangerous goods.	February 2015
5.	UNSOA should: (a) implement procedures to ensure that adequate training is provided in a timely manner to AMISOM personnel assigned to movement control operations; and (b) conduct level 3 evaluations within three to six months from when the trainings are delivered.	Important	O	Receipt of a copy of the long-term contract for training AMISOM personnel and evidence that they have been trained in relevant movement control functions; and (b) level-3 evaluations of the training are being conducted on a timely basis.	December 2014
6.	UNSOA should implement procedures and provide additional training and tools to staff to ensure that the required travel records are maintained for passengers traveling on United Nations aircraft.	Critical	O	OIOS verification that adequate procedures are implemented and working effectively to support authorized travel of passengers by UNSOA aircraft.	December 2014
7.	UNSOA should conduct periodic inspections of trucks provided by contractors and exercise its	Important	O	Receipt of evidence that UNSOA is conducting inspections of trucks and addressing	December 2014

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 C = closed, O = open

⁴ Date provided by UNSOA in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of movement control operations in the United Nations Support Office for the African Union Mission in Somalia

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	contractual right to cancel any movement of cargo by land when trucks and equipment provided are assessed as not roadworthy or not in safe condition.			noncompliance issues.	

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: 25 November 2014

From: Wolfgang Weiszegger
Acting Director

A handwritten signature in blue ink, appearing to read 'Wolfgang Weiszegger'.

Ref: UNSOA/1114/M.023

Subject: **Assignment No. AP2013/638/03 – Draft report on an audit of movement control operations in UNSOA**

1. Further to your memorandum of 28 October 2014 on the above subject, please find attached the UNSOA response to the subject audit assignment.

Best regards

cc:

Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS
Ms. Andrea Charles-Browne, Chief Resident Auditor, UNSOA
Mr. Harjit Dhindsa, Deputy Director, UNSOA
Mr. Robert Kirkwood, Head of Somalia Support, UNSOA
Ms. Manuela DeLuca, Chief Movement Control Officer, UNSOA
Mr. Ernest Manzano, Chief Aviation Officer, UNSOA
Mr. Patrick Duah, Chief Training Officer, UNSOA

Management Response

Audit of movement control operations in the United Nations Support Office for the African Union Mission in Somalia

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementatio n date	Client comments
1.	UNSOA should finalize draft standard operating procedures on movement control operations.	Important	Yes	Chief MovCon	30/01/2015	Management seeks to inform the Auditors that a retreat involving all the stakeholders was conducted, following which a master SOP has been prepared based on the inputs and discussions, which will be finalized and disseminated by January 2015.
2.	UNSOA should establish key performance indicators for important movement control processes and implement mechanisms for monitoring and reporting on them.	Important	Yes	Chief MovCon	30/01/2015	Management has introduced key performance indicators for the shipping unit, while KPIs for all other MovCon units will be brought into use by January 2015.
3.	UNSOA should develop and implement a policy on air services to be provided to non-UNSOA and non-AMISOM personnel, and the recovery of costs of services provided, including related costs already incurred.	Critical	Yes	Chief MovCon		UNSOA Administrative Circular 2014/003 of 27 June 2014 outlines the provisions for the carriage of various categories of passengers on flights. In addition, UNSOA now obtains reimbursement for the cost of transporting the personnel of contractors, where specified in the contractual provisions. A similar issuance governing the carriage of cargo is under preparation and is expected to be issued by January 2015.
4.	UNSOA, in collaboration with AMISOM, should provide recertification training on a timely basis to ensure adequately qualified personnel are available for handling dangerous goods.	Important	Yes	Chief MovCon	February 2015	Management will ensure that all relevant personnel are afforded the opportunity to participate in the next Dangerous Goods training scheduled for January 2015, and are recertified to handle DG.

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.

Management Response

Audit of movement control operations in the United Nations Support Office for the African Union Mission in Somalia

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
5.	UNSOA should: (a) implement procedures to ensure that adequate training is provided in a timely manner to AMISOM personnel assigned to movement control operations; and (b) conduct level 3 evaluations within 3 to 6 months from when the trainings were delivered.	Important	Yes	Chief MovCon	December 2014	UNSOA management is in the process of establishing a long-term contract for the training of AMISOM personnel in their functional responsibilities. Technical evaluation of submissions has been conducted, and award of contract will follow. Management will also ensure that evaluation of training provided is conducted in accordance with established provisions.
6.	UNSOA should implement procedures and provide additional training and tools to staff to ensure that the required travel records are maintained for passengers traveling on United Nations aircraft.	Critical	Yes	Chief MovCon	December 2014	Management confirms that records of all the travel documents of all air passengers are maintained and recorded. Management requests the Auditors conduct a verification test in order to close this recommendation. In addition, the e-MOP system is fully utilized by all UNSOA personnel, and is being introduced for non-UN personnel. It is expected that paper-based MOPs will only be used in a few exceptional cases.
7.	UNSOA should conduct periodic inspections of trucks provided by contractors and exercise its contractual right to cancel any movement of cargo by land when trucks and equipment provided are assessed as not roadworthy or in safe condition.	Important	Yes	Chief MovCon	December 2014	Management seeks to confirm that in locations where MovCon personnel are present, the MovCon operative will assess the condition of the truck and if it is deemed not roadworthy, it will not be accepted. Management will ensure that MovCon maintains records of such inspections.