



INTERNAL AUDIT DIVISION

REPORT 2015/043

Audit of vehicle fleet management in the United Nations Interim Force in Lebanon

Overall results relating to the effective management of the vehicle fleet were initially assessed as partially satisfactory. Implementation of seven important recommendations remains in progress

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

22 May 2015
Assignment No. AP2014/672/04

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AUDIT REPORT

Audit of vehicle fleet management in the United Nations Interim Force in Lebanon

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of vehicle fleet management in the United Nations Interim Force in Lebanon (UNIFIL).
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 UNIFIL Transport Section was responsible for the overall management, maintenance and operation of the Mission's vehicle fleet. It was headed by a Chief Transport Officer at the Field Service-7 level. The Section had 87 approved posts including 18 international and 69 national staff. As of 31 July 2014, UNIFIL had a fleet of 878 vehicles with an acquisition cost of \$54.1 million and depreciated value of \$10.4 million. The budget for UNIFIL Transport Section included staff costs, acquisition of vehicles, workshop equipment, spare parts, repair and maintenance services, rental of buses and vehicle liability insurance totalling \$9.4 million and \$8.8 million for fiscal years 2013/14 and 2014/15, respectively.
4. Comments provided by UNIFIL are incorporated in italics.

II. OBJECTIVE AND SCOPE

5. The audit was conducted to assess the adequacy and effectiveness of UNIFIL governance, risk management and control processes in providing reasonable assurance regarding the **effective management of the vehicle fleet in UNIFIL**.
6. The audit was included in the 2014 risk-based work plan of OIOS because of the financial, operational and safety risks related to fleet management.
7. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this key control as one that provides reasonable assurance that policies and procedures: (a) exist to guide the management of the vehicle fleet in UNIFIL; (b) are implemented consistently; and (c) ensure the reliability and integrity of financial and operational information.
8. The key control was assessed for the control objectives shown in Table 1
9. OIOS conducted this audit from August to October 2014. The audit covered the period from 1 July 2013 to 31 July 2014.
10. 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.

III. AUDIT RESULTS

11. The UNIFIL governance, risk management and control processes examined were initially assessed as **partially satisfactory**¹ in providing reasonable assurance regarding the **effective management of the vehicle fleet in UNIFIL**. OIOS made seven recommendations to address the issues identified. UNIFIL had established a Vehicle Establishment Committee (VEC) and as recommended by the Committee had reduced its vehicle fleet by 66 vehicles in September 2014; however a review of asset records and staffing levels indicated that UNIFIL needed to further reduce its fleet by 46 light passenger vehicles. UNIFIL also needed to: (a) provide accurate information to the VEC to facilitate the review of the entire vehicle fleet; (b) adequately monitor stock levels of spare parts; (c) enforce procedures related to carlog installations; (d) improve controls over the movement of personnel by vehicles outside of the area of operation; (e) implement additional road safety measures; and (f) adequately insure vehicles used in a neighbouring country of Lebanon.

12. The initial overall rating was based on the assessment of key control presented in Table 1. The final overall rating is **partially satisfactory** as implementation of seven 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 the vehicle fleet in UNIFIL	Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING : PARTIALLY SATISFACTORY					

Regulatory framework

A more robust review of the Mission’s fleet of vehicles was required

13. The Department of Peacekeeping Operations/Department of Field Support (DPKO/DFS) Manual on Surface Transport Management provided that the VEC was the sole authority in the mission for defining and proposing vehicle establishment for each unit/section. The VEC was required to: (a) review the distribution of light passenger vehicles based on a standard allocation ratio and staffing levels; and (b) perform a needs analysis of the level of specialized vehicles, taking into account operational requirements and availability of contingent-owned and contracted vehicles. The Manual also required the Transport Section to maintain accurate records on the Mission’s fleet and provide advice to and implement decisions made by the VEC.

14. A review of VEC records indicated that the committee was only covering the 294 light passenger vehicles held by the Mission, and did not review the justifications for the remaining 594 specialized

¹ A rating of “**partially satisfactory**” means that important (but not critical or pervasive) deficiencies exist 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.

vehicles. This resulted as VEC members were not fully aware of their responsibilities and the Transport Section had not advised VEC of the requirement to review all types of Mission vehicles.

15. The VEC identified that 66 of the 294 light passenger vehicles were surplus, based on a DFS standard ratio of one vehicle per 4.5 international staff in support functions and military staff officers, and one vehicle per 2.5 international staff in substantive sections. Based on VEC recommendations, in September 2014, UNIFIL transferred 66 vehicles to other missions. However, a review of vehicle inventory records and authorized staffing in October 2014 indicated that UNIFIL still had a surplus of 46 light passenger vehicles. The VEC, in its meetings, had not identified these 46 surplus vehicles as the Transport Section had not provided to the VEC up-to-date data. This happened because the Transport Section did not confirm the accuracy of the data with the information in Galileo and the Human Resources Management Section prior to presenting it to the VEC.

16. As a result of the above, UNIFIL had not implemented measures to ensure efficient use of its entire vehicle fleet and continued to incur unnecessary maintenance and operational costs related to the excess vehicles.

(1) UNIFIL should take steps to ensure the Vehicle Establishment Committee is provided with up-to-date and relevant information on the entire Mission vehicle fleet to make recommendations to align the fleet with operational requirements and DFS standard ratios.

UNIFIL accepted recommendation 1 and stated that it initiated action to gradually reduce the number of light passenger vehicles and in February 2015, VEC decided to withdraw 24 surplus light passenger vehicles. UNIFIL also stated that VEC would conduct a comprehensive review of the Mission's entire vehicle fleet. Recommendation 1 remains open pending receipt of evidence that VEC has reviewed the entire fleet of vehicles and that surplus light passenger vehicles has been reduced.

Controls over repairs and maintenance were working effectively

17. The UNIFIL standard operating procedures for workshop maintenance required the Transport Section to service its vehicles after every 5,000 kilometres and at intervals recommended by manufacturers. The DPKO/DFS Manual on Surface Transport Management required UNIFIL to recover the cost of vehicle maintenance and repair services rendered to other United Nations entities. A review of all 4,474 work orders completed during the audit period indicated that Mission vehicles were serviced according to maintenance schedules. Also, a review of 3,495 work orders relating to repairs indicated that repairs were completed within one month, except in 95 cases where spare parts were not available as reported below. A review of all 168 work orders, with a total cost of \$47,000, for maintenance and repair services provided to other United Nations entities indicated that billings were correctly done for services provided. OIOS concluded that UNIFIL had adequate controls over the maintenance and repair of vehicles.

Inventory management for spare parts required improvement

18. The DPKO/DFS Manual on Surface Transport Management required UNIFIL to accurately account for spare parts as well as monitor and maintain adequate stocks of parts, including a 30-day safety reserve, based on historical consumption patterns. The Transport Section was required to monitor the minimum and maximum levels of stocks established in Galileo to ensure items were procured in a timely manner and to take action to dispose of excess stock.

19. A review of UNIFIL physical inventory procedures, and documents supporting the verification exercises conducted, indicated that as at 31 July 2014, UNIFIL had accounted for all vehicles and spare parts inventory.

20. However, a review of inventory records on 4,011 types of spare parts held by UNIFIL as at 31 July 2014 indicated that UNIFIL, when compared to historical consumption levels had: (a) the required 30-day safety stock level for only 21 types of spare parts; (b) one year of stock for 414 types; and (c) more than a one year stock level for 2,069 types. In addition, 502 types of spare parts had not been used in the last two years, while 1,005 items categorized as fast moving spare parts such as tyres and batteries had zero balances.

21. The above resulted as the Transport Section did not adequately monitor minimum and maximum stock levels of spare parts, including fast-moving parts, taking into consideration procurement lead times. Moreover, UNIFIL was not implementing procedures during periodic physical counts to ensure surplus stocks were identified and related appropriate actions were taken in a timely manner.

22. As a result, UNIFIL experienced delays in 95 repair services by an average of 80 days mainly due to the lack of spare parts. UNIFIL also had significant excess holding of certain spare parts. Additionally, UNIFIL was, because of delays in the procurement process, conducting frequent and inefficient procurement of small quantities of spare parts. For example, an analysis of the total cost of spare parts used for 45 work orders exceeded the established standard costs by \$163,000.

(2) UNIFIL should take action to: monitor minimum and maximum stock levels; initiate related procurement in a timely manner to ensure vehicle spare parts are available when needed; and dispose of excess and obsolete stock.

UNIFIL accepted recommendation 2 and stated that the responsibilities for spare parts were transferred from the Transport Section to the Central Warehousing Unit in September 2014. The Unit would start a detailed analysis of minimum/maximum stock levels and re-order points, produce weekly progress reports to improve management of spare parts, and would generate monthly reports to identify excess and obsolete spare parts. Procurement action would be initiated taking into account historical consumption and procurement lead time. Recommendation 2 remains open pending receipt of evidence that UNIFIL is monitoring minimum/maximum stock levels and is undertaking procurement in a timely manner and that action has been taken to dispose of excess and obsolete parts.

Controls over issuance of driving permits were in place

23. The DPKO/DFS Manual on Surface Transport Management required UNIFIL to: conduct a driving test for UNIFIL personnel as a prerequisite for using a Mission vehicle; and withdraw driving permits when the staff members' national driving permit expired and only renew the Mission's driving permit upon verification of a new national driving permit. A review of driving records for 143 of the 2,297 permits issued by UNIFIL indicated that they were issued and renewed in accordance with required procedures. OIOS concluded that adequate controls were in place over the issuance of Mission driving permits.

Modification and removal of carlog devices were not properly justified

24. The DPKO/DFS Manual on Surface Transport Management required UNIFIL to install the carlog electronic vehicle fleet management system in all vehicles to record and monitor the speed and location of each vehicle. The UNIFIL standard operating procedures required all vehicles to have carlog devices,

except if an exception was approved by the Director of Mission Support and the Head of Mission. These procedures also required drivers of vehicles without carlog devices to submit monthly manual records of trips undertaken to the Transport Section.

25. A review of carlog records indicated that 776 (or 96 per cent) of the 815 vehicles in use in July 2014 had been fitted with carlog devices that were functioning effectively. However, the Transport Section had removed carlog devices from 4 vehicles and modified the system in 35 vehicles such that carlog was unable to track the speed and location of the vehicle. The Transport Section had not documented or obtained approval for these exceptions. Also, a review of manual trip tickets indicated that drivers submitted manual trip records for only 2 of the 39 vehicles that did not have carlog devices. This resulted as the Transport Section had not implemented procedures to monitor and supervise the process of obtaining exceptional approval for the removal or modification of carlog devices from vehicles. As a result, UNIFIL was unable to detect any unauthorized use of vehicles or over-speeding for the 39 vehicles without carlog devices.

(3) UNIFIL should implement procedures to: monitor exceptions to the installation of carlog devices to ensure that they are properly justified; and ensure that drivers using vehicles with no carlog devices consistently submit monthly manual trip tickets on a timely basis.

UNIFIL accepted recommendation 3 and stated that it initiated actions to establish a mechanism to monitor monthly submission of trip tickets for United Nations-owned vehicles with removed or modified carlog system. The Mission stated that removal and modification of carlog installations were needed for some vehicles to mitigate security concerns and associated risks. Recommendation 3 remains open pending receipt of evidence that all exceptions for installation of carlog devices are properly justified and approved, and manual trip tickets are completed for vehicles with modified or without carlog systems.

The Mission needed to improve controls over use of vehicles outside the area of operation

26. The Head of Mission Policy Decision of February 2012 restricted the use of UNIFIL vehicles outside of the Mission's area of operation to official travel only, and clarified that liberty travel was not permitted. UNIFIL standard operating procedures required staff to submit a movement of personnel form approved by their section chief prior to undertaking official travel. The Department of Safety and Security's standard operating procedures for North Lebanon required UNIFIL personnel travelling between South and North Lebanon to drive in unmarked United Nations vehicles.

27. A review of 1,955 carlog records for travel undertaken outside of the Mission's area of operation for July 2013, January 2014 and July 2014 indicated that 354 (or 19 per cent) trips were not approved and that 956 (or 49 per cent) trips had been done between South and North Lebanon in marked UNIFIL vehicles. The review also indicated that four staff used UNIFIL vehicles for commuting purposes (home to work) outside the Mission's area of operation over a 13-month period from 1 July 2013 to 31 July 2014. The VEC meeting of June 2014 recommended that the Head of Mission prohibit the further use of vehicles by staff members who commuted outside the Mission's area of operations without approval, and withdraw the driving permits of staff members who continued the practice. As at 30 November 2014, the four staff members continued using UNIFIL vehicles for commuting purposes, although the Finance and Budget Management Section had recovered a total cost of \$9,500 from these four staff for the 13-month period.

28. The above resulted as UNIFIL had not implemented adequate procedures to monitor and take action against staff who were not approved to use United Nations vehicles outside the Mission's area of operations and those who did not comply with the Department of Safety and Security directives. Also,

the Transport Section had not implemented the recommendations of the VEC. As a result, Mission's vehicles were being used, contrary to the directives of the Head of Mission and Department and Safety and Security, increasing security and financial risks.

(4) UNIFIL should monitor and take action against staff who are using United Nations vehicles without approval to travel out of the area of operations, and those who are not complying with the directives of the Head of Mission and instructions of the Department of Safety and Security.

UNIFIL accepted recommendation 4 and stated that the Transport Section started its monitoring of carlog records for all travel outside the area of operation and comparing them to the list of approved movement of personnel forms. Also, use of UNIFIL vehicles by Mission personnel outside the area of operations without approved movement of personnel forms would be reported to the Head of Mission for appropriate action. Recommendation 4 remains open pending receipt of a copy of the results of the review conducted by UNIFIL in comparing the carlog records for travels outside area of operations to the approved movement of personnel forms and the corresponding actions taken in cases of non-compliance.

Road safety measures were needed to reduce traffic accidents

29. The Mission Traffic Safety Committee required UNIFIL to review, analyze and quantify factors influencing road accidents and propose remedial actions. The Committee was required to meet on a quarterly basis and provide its recommendations to the Head of Mission. The UNIFIL standard operating procedures on Military Police and Measures on the Operation of UNIFIL Vehicles required: (a) the Transport Section to implement road safety measures including speed limits; and (b) the military police to conduct road checks and report, through the Force Provost Marshall, traffic violations to the Transport Section within five calendar days of their occurrence.

30. A review of available documents indicated that the Committee met once, instead of four times, during the audit period. Also, in its March 2014 meeting, the Committee made recommendations related to: (a) providing training on safe driving to contingent units due to the high number of accidents; and (b) implementing additional pedestrian zones and traffic safety devices at Mission Headquarters. However, the Committee did not submit these recommendations to the Head of Mission and did not take action to ensure that they were implemented. This resulted due to the infrequency of Committee meetings and the lack of a procedure for the Committee to report its recommendations to the Head of Mission and to follow up on their implementation.

31. A review of transport records indicated that the Section consistently monitored carlog records to identify serious speeding violations (exceeding 20 kilometres per hour above established limits) and imposed sanctions on staff members such as the withdrawal of driving permits permanently or for 30 days or more. However, a review of 104 traffic violations recorded by the military police indicated that only 32 (or 31 per cent) cases were reported to the Transport Section for imposition of appropriate sanctions. This was mainly because the military police submitted traffic violation reports late. For example, the military police only reported to the Force Provost Marshall in October 2014 violations that occurred from April to July 2014. This happened due to inadequate training provided to the military police and inadequate follow up by the Marshall.

32. The ineffective functioning of the Traffic Safety Committee and the lack of sanctions on traffic violations resulted in a continued high number of traffic accidents. For example, UNIFIL vehicles were involved in 365 and 359 traffic accidents during fiscal years 2012/13 and 2013/14 respectively and the number of fatalities increased from one to three and injuries from 22 to 26 in the last two fiscal years.

(5) UNIFIL should: (a) take action to ensure that the Mission Traffic Safety Committee functions in accordance with its terms of reference; and (b) provide training for the responsible military personnel to report all traffic violations to the Transport Section in a timely manner in accordance with established procedures so that necessary action is taken.

UNIFIL accepted recommendation 5 and stated that it would take action to ensure that the Mission Traffic Safety Committee functioned in accordance with its terms of reference. The Mission also provided details of the completion of training provided to the military police units. Recommendation 5 remains open pending receipt of evidence that the Mission Traffic Safety Committee is convened and functioning in accordance with its terms of reference.

Alcohol tests needed to be administered consistently

33. The DPKO/DFS Manual on Surface Transport Management required the Security Section and military police to: (a) investigate and report all accident cases involving UNIFIL vehicles to the Claims Unit; and (b) administer, as part of their investigations, an alcohol test to United Nations drivers at the scene of accidents.

34. A review of the records for 34 of the 359 accidents that occurred during 2013/14 indicated that the Security Section and the military police were completing the required investigations. However, in 16 cases where investigation officers were present at the scene of an accident, only in one case did the investigation officer administer an alcohol test. This was because the UNIFIL standard operating procedures only required investigating officers to administer alcohol tests for serious accidents, which was contrary to the requirement of the DPKO/DFS Manual on Surface Transport Management.

35. Failure to administer alcohol tests reduced the effectiveness of UNIFIL in identifying the cause of accidents and implementing appropriate remedial actions to prevent occurrence of similar accidents in the future.

(6) UNIFIL should amend its standard operating procedures to ensure that alcohol tests are administered to all UNIFIL drivers at the scene of accidents.

UNIFIL accepted recommendation 6 and stated that it initiated action to consolidate the standard operating procedures on the use of UNIFIL vehicles to include provision for Mission investigation personnel to administer alcohol tests on UNIFIL drivers at the scene of accidents. Recommendation 6 remains open pending receipt of the standard operating procedures requiring the administration of alcohol tests to all UNIFIL drivers at the scene of every accident and evidence of implementation of such requirement.

Controls over insurance coverage for the fleet of vehicles operated in a neighbouring country needed improvement

36. The Insurance and Disbursement Service at United Nations Headquarters required UNIFIL to purchase local third party insurance coverage for its vehicle fleet when operating in a neighbouring country to comply with the local legal requirement. The Insurance and Disbursement Service also required UNIFIL to include supplementary coverage under the United Nations Worldwide Vehicle Third Party Liability Insurance Policy as coverage under the local insurance policy was insufficient for third party property damage and injuries.

37. A review of insurance records for all 40 Mission vehicles that was intended to be used in the neighbouring country indicated that UNIFIL had purchased the required local insurance. However, due to an oversight, UNIFIL did not include the required supplementary coverage. Also, 13 of the 40 vehicles with local insurance coverage were not used at all in the neighbouring country during the year. Instead, UNIFIL used six additional vehicles that did not have local third party assurance for that country. This was because the Transport Section and military liaison branch had not adequately coordinated the use of vehicles to ensure only those with local insurance were driven in the neighbouring country. As a result, UNIFIL was using vehicles that were not adequately insured, increasing the risk of liability in case of an accident.

(7) UNIFIL should develop a procedure to ensure that only vehicles with appropriate insurance coverage are driven in the neighbouring country.

UNIFIL accepted recommendation 7 and stated that it developed a procedure and revised the list of vehicles that would be driven in the neighbouring country. The Mission would ensure that these vehicles had the appropriate insurance coverage by 31 May 2015. Recommendation 7 remains open pending receipt of evidence that a process has been developed and implemented to ensure vehicles used in the neighbouring country are properly insured.

IV. ACKNOWLEDGEMENT

38. OIOS wishes to express its appreciation to the Management and staff of UNIFIL 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 vehicle fleet management in the United Nations Interim Force in Lebanon

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNIFIL should take steps to ensure the Vehicle Establishment Committee is provided with up-to-date and relevant information on the entire Mission vehicle fleet to make recommendations to align the fleet with operational requirements and DFS standard ratios.	Important	O	Receipt of evidence that the VEC has reviewed the entire fleet of vehicles and that the surplus of light passenger vehicles has been reduced.	30 June 2015
2	UNIFIL should take action to: monitor minimum and maximum stock levels; initiate related procurement in a timely manner to ensure vehicle spare parts are available when needed; and dispose excess and obsolete stock.	Important	O	Receipt of evidence that UNIFIL is monitoring maximum and minimum stock levels to undertake procurement in a timely manner and that action has been taken to dispose of excess and obsolete parts.	30 June 2015
3	UNIFIL should implement procedures to: monitor exceptions to the installation of carlog devices to ensure that they are properly justified; and ensure that drivers using vehicles with no carlog devices consistently submit monthly manual trip tickets on a timely basis.	Important	O	Receipt of evidence that all exceptions for installation of carlog devices are properly justified and approved and manual trip tickets are completed for vehicles with modified or without carlog systems.	30 June 2015
4	UNIFIL should monitor and take action against staff who are using United Nations vehicles without approval to travel out of the area of operations and those who are not complying with the directives of the Head of Mission and instructions of the Department of Safety and Security.	Important	O	Receipt of a copy of the results of the review conducted by UNIFIL in comparing the carlog records for travels outside area of operations to the approved movement of personnel forms and the corresponding actions taken on cases of non-compliance.	30 June 2015
5	UNIFIL should: (a) take action to ensure that the Mission Traffic Safety Committee functions in accordance with its terms of reference; and (b)	Important	O	Receipt of evidence that the Mission Traffic Safety Committee is convened and functioning in accordance with its terms of reference.	(a) 30 June 2015 (b) Implemented

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 UNIFIL in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of vehicle fleet management in the United Nations Interim Force in Lebanon

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	provide training for the responsible military personnel to report all traffic violations to the Transport Section in a timely manner in accordance with established procedures so that necessary action is taken.				
6	UNIFIL should amend its standard operating procedures to ensure that alcohol tests are administered to all UNIFIL drivers at the scene of accidents.	Important	O	Receipt of the standard operating procedures requiring the administration of alcohol tests to all UNIFIL drivers at the scene of every accident and evidence of implementation of such requirement.	30 June 2015
7	UNIFIL should develop a procedure to ensure that only vehicles with appropriate insurance coverage are driven in the neighboring country.	Important	O	Receipt of evidence that a process has been developed and implemented to ensure vehicles used in the neighboring country are properly insured	31 May 2015

APPENDIX I


Management Response

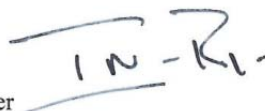


Inter Office Memorandum

14 May 2015

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

From:  Major General Luciano Portolano
Head of Mission and Force Commander
UNIFIL



Subject: Draft report on an Audit of Vehicle Fleet Management in UNIFIL (Assignment No. AP2014/672/04)

1. We refer to your memorandum on the audit Vehicle Fleet Management in UNIFIL, reference IAD: 15-MO150403 dated 28 April 2015. Please find attached UNIFIL's response to the recommendations contained in the subject draft audit report.
2. In following the usual procedure, copies of supporting documents will only be provided to the MERAO based at UNIFIL HQ and will not be transmitted to you with this Mission's response.

Best regards.

Cc: Mr. Wolfgang Weiszegger, Director of Mission Support, UNIFIL
Mr. Effendi Syukur, Chief Risk Management, Compliance and BOI Unit, UNIFIL
Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS

Management Response

Audit of vehicle fleet management in the United Nations Interim Force in Lebanon

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNIFIL should take steps to ensure the Vehicle Establishment Committee is provided with up-to-date and relevant information on the entire Mission vehicle fleet to make recommendations to align the fleet with operational requirements and DFS standard ratios.	Important	Yes	OIC Fleet Management	30 June 2015	UNIFIL has initiated action to gradually reduce the number of light passenger vehicles during the Vehicle Establishment Committee (VEC) meetings of 23 and 27 February 2015. The Mission has decided to withdraw 24 surplus light passenger vehicles that were in use. A comprehensive review of the entire fleet will be addressed in the next VEC meetings.
2	UNIFIL should take action to: monitor minimum and maximum stock levels; initiate related procurement in a timely manner to ensure vehicle spare parts are available when needed; and dispose excess and obsolete stock.	Important	Yes	OIC Fleet Maintenance / Supply and Property Management Section (SPMS)	30 June 2015	Inventory management for vehicle spare parts was transferred to Supply & Property Management Section / Central Warehousing Unit (CWU) in September 2014. The CWU will commence a detailed review and improve the inventory management of vehicle spare parts by producing weekly progress reports on minimum / maximum stock levels and re-order points. Procurement action will then be initiated taking into consideration historical consumption reports and provisioning lead times. Disposal of excess and obsolete spare parts through monthly reports is ongoing in commensurate with fleet reduction.
3	UNIFIL should implement procedures to: monitor exceptions to the installation of carlog devices to ensure that they are properly justified; and ensure that drivers using vehicles with no carlog devices consistently submit monthly manual trip tickets on a timely basis.	Important	Yes	OIC Fleet Management	30 June 2015	UNIFIL Transport Section has commenced implementation a mechanism to monitor monthly submission of trip ticket for United Nations Owned Equipment (UNOE) vehicles of which carlogs have been removed or modified. The mechanism is ongoing and is expected to be implemented by end of June 2015. UNIFIL Transport Section would like to note that carlog installation exceptions and modifications for emergency and senior management vehicles are in order to mitigate security concerns and associated risks.
4	UNIFIL should monitor and take action against staff who are using United Nations vehicles without approval to	Important	Yes	OIC Fleet Maintenance	30 June 2015	To address the recommendation, UNIFIL Transport Section commenced an ongoing monitoring mechanism via car log system and approved movement of personnel (MOP) data

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 vehicle fleet management in the United Nations Interim Force in Lebanon

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	travel out of the area of operations and those who are not complying with the directives of the Head of Mission and instructions of the Department of Safety and Security.					analysis. Any staff member; civilian and military; travelling in UNIFIL's vehicles outside the area of operation without approved MOPs will be reported to the Head of Mission for appropriate action.
5	UNIFIL should: (a) take action to ensure that the Mission Traffic Safety Committee functions in accordance with its terms of reference; and (b) provide training for the responsible military personnel to report all traffic violations to the Transport Section in a timely manner in accordance with established procedures so that necessary action is taken.	Important	Yes	OIC Fleet Management	(a) 30 June 2015 (b) Implemented 16 March 2015	(a) UNIFIL will take action to ensure that the Mission Traffic Safety Committee (TSC) functions in accordance with its terms of reference (TOR). (b) The office of the Force Provost Marshall (FPM) and J7 in coordination with UNIFIL Training unit have conducted the annual Military Police Induction Training for the year 2015 upon the completion of rotation of the Indonesian and Tanzanian Military Police as well as the Forensic Military Police Unit (FMPU). The delivered training sessions applied the Training of Trainers strategy to train a core set of Military Police Trainers. These trained Military Police Trainers in turn provided immediate training to all arriving Military Police personnel using their respective national language in the aim to facilitate transfer of learning more effectively. The standardized presentation package/ programme is prepared by various contributors to cover Claims, BOI, CDT, and Security procedures. In addition, The International Military Police Units (IMPUs) were given instructions for a timely arrival at the scene of road traffic accidents
6	UNIFIL should amend its standard operating procedures to ensure that alcohol tests are administered to all UNIFIL drivers at the scene of accidents.	Important	Yes	OIC Fleet Management	30 June 2015	Assorted Transport standard operating procedures (SOPs) are currently being consolidated into one single document/guideline including an Information Circular and Administrative Instruction that highlights alcohol tests at the scene of accidents.
7	UNIFIL should develop a procedure to ensure that only vehicles with appropriate insurance coverage are driven in the neighboring country.	Important	Yes	OIC Fleet Management	31 May 2015	Although the Mission has procedures in place, it has recently reviewed and revised the list of vehicles requiring local insurance ensure that only vehicles with appropriate insurance coverage are driven in the neighboring country.