

### **REPORT 2017/048**

# **Audit of fuel management in the United Nations Mission in Liberia**

While the Mission adequately managed fuel contracts and monitored quality and consumption of fuel, it needed to strengthen other controls to ensure effective fuel management

12 June 2017 Assignment No. AP2016/626/06

#### Audit of fuel management in the United Nations Mission in Liberia

#### **EXECUTIVE SUMMARY**

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over fuel management in the United Nations Mission in Liberia (UNMIL). The audit covered the period from January 2015 to March 2017 and the scope included: fuel use forecasting, accounting and contingency planning; contract management; security, safety and quality assurance; and monitoring activities.

UNMIL implemented adequate controls to pay fuel vendors and monitor their performance, apply quality controls over aviation and ground fuel and monitor fuel consumption. The Mission also took action to address the risk of fraud. Nevertheless, the Mission needed to strengthen other controls to ensure effective fuel management.

OIOS made five recommendations. To address issues identified in the audit, UNMIL needed to:

- Develop emergency and contingency plans for ensuring continuous fuel supply and keep them up-to-date;
- Implement procedures for the Security Section to communicate results of their investigations to the Fuel Unit promptly, to ensure controls are strengthened accordingly;
- Implement procedures to ensure timely collection of outstanding fuel bills from United Nations agencies. This should include issuance of an invoice to a United Nations agency for 52,400 litres of diesel supplied in April 2015 and collection of related payments;
- Ensure that the Fuel Unit and the Finance and Budget Section reconcile records of fuel supplied to United Nations agencies on a monthly basis to ensure timely reimbursement of fuel provided to third parties; and
- Assess the adequacy of safety and security arrangements at fuel stations and take necessary remedial actions.

UNMIL accepted the recommendations, implemented two of them and has initiated action to implement the remaining recommendations.

# **CONTENTS**

			Page		
I.	BACKO	GROUND	1		
II.	AUDIT OBJECTIVE, SCOPE AND METHODOLOGY				
III.	OVERA	LL CONCLUSION	2		
IV.	. AUDIT RESULTS				
	A. Fuel use forecasting, accounting and contingency planning				
	B. Contract management and administration				
	C. Security, safety and quality assurance				
	D. Monitoring of fuel use				
V.	V. ACKNOWLEDGEMENT				
ANNI		Status of audit recommendations			
APPENDIX I		Management response			

#### Audit of fuel management in the United Nations Mission in Liberia

#### I. BACKGROUND

- 1. The Office of Internal Oversight Services (OIOS) conducted an audit of fuel management in the United Nations Mission in Liberia (UNMIL).
- 2. The Department of Peacekeeping Operations (DPKO)/Department of Field Services (DFS) policies and procedures on petroleum, oils and lubricants (POL or fuel) guide UNMIL fuel operations. The guidelines cover safe, efficient and effective handling of fuel, as well as compliance with international standards and applicable laws and regulations.
- 3. The Mission's budget for fuel for fiscal years 2015/16 and 2016/17 amounted to \$14.4 million and \$7.3 million respectively. The Mission mainly used diesel, Jet A-1 and petrol for facilities and infrastructure, ground transportation and aviation. The Mission's forecasted fuel consumption for 2015/16 and 2016/17 is summarized in Table 1.

**Table 1: Forecasted consumption of fuel** 

 (Quantity in litres)

 Fuel product
 2015/16
 2016/17

 Diesel
 15,335,973
 9,088,253

 Jet A-1
 2,810,051
 2,342,773

 Petrol
 383,992
 176,766

Source: UNMIL fuel forecasts

- 4. UNMIL had three contracts for the provision of fuel to the Mission. Two contracts were signed with Vendor A for supply of Jet A-1 fuel and ground fuel with a not-to-exceed (NTE) amount of \$29.5 million and \$69.4 million respectively. The contracts were signed on 31 July 2014 and 1 June 2011. One contract was signed with Vendor B on 1 June 2016 for supply of ground fuel with NTE amount of up to \$8.8 million.
- 5. The UNMIL Fuel Unit managed fuel operations at the Mission. As at 31 March 2017, the Unit had three field service, two United Nations Volunteers and 15 general service local staff. The Fuel Unit, headed by an Officer–in-Charge at the field service-5 level, is part of the Life Support Section of the Mission.
- 6. Comments provided by UNMIL are incorporated in italics.

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

- 7. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over fuel management in UNMIL.
- 8. This audit was included in the 2016 risk-based work plan of OIOS due to the significant risks relating to fuel management, which could adversely impact Mission operations.
- 9. OIOS conducted this audit from December 2016 to March 2017. The audit covered the period from January 2015 to March 2017. Based on an activity-level risk assessment, the audit covered higher and medium risks in fuel management, which included: fuel use forecasting, accounting and contingency planning; contract management; security, safety and quality assurance; and monitoring activities.

10. The audit methodology included discussions with key managers and staff members and reviews of contracts and agreements with United Nations agencies, related transactions and payments and operational reports. The audit team visited Mission fuel distribution points in Monrovia, Zwedru and Gbarnga in Liberia for physical observations and verification of equipment, stocks and records.

#### III. OVERALL CONCLUSION

11. The Mission implemented adequate controls to pay fuel vendors and monitor their performance, apply quality controls over aviation and ground fuel and monitor fuel consumption. The Mission also took action to address the risk of fraud. Nevertheless, there was still a need to further strengthen controls over fuel management through developing emergency and contingency plans, ensuring timely collection of outstanding fuel bills from United Nations agencies and enhancing security and safety procedures at fuel stations.

#### IV. AUDIT RESULTS

#### A. Fuel use forecasting, accounting and contingency planning

Although fuel was available for mission operations, UNMIL needed to develop emergency and contingency plans

- 12. The UNMIL Fuel Unit is responsible to ensure timely uninterrupted supply of fuel to support the operations of the Mission. It is also responsible to identify potential emergencies and prepare and maintain up-to-date emergency plans for each location where fuel is received, stored or dispensed. The Fuel Manual also requires the Mission to prepare contingency plans to identify risks that could jeopardize uninterrupted supply of fuel to the Mission and develop mitigation measures.
- 13. A review of the Mission's fuel forecasts for fiscal years 2015/16 and 2016/17 indicated that fuel needs were identified and catered for. Also, a review of the Fuel Unit's daily stock records, strategic and operational reserve balances, and interviews with staff confirmed that the Mission did not suffer any fuel shortages during the audit period. The Mission maintained the required strategic reserves with vendors in Monrovia of 1 million litres of diesel (reduced from initial 2 million litres) and 600,000 litres of aviation fuel as well as operational reserves of 300,000 litres of diesel at Star Base.
- 14. However, UNMIL had not prepared emergency plans for any of its fuel locations or developed fuel contingency plans for its operations. Fuel staff explained that they were still in the process of drafting the emergency and contingency plans. Non-availability of these plans could result in disruptions in fuel supplies to UNMIL or the Mission's inability to respond to an emergency in a timely manner.
  - (1) UNMIL should develop emergency and contingency plans to ensure continuous fuel supply and keep them up-to-date.

UNMIL accepted recommendation 1 and stated that emergency and contingency plans would be drafted and implemented immediately upon approval from the Chief, Life Support Section. The plans would be included in the revised Fuel Standard Operating Procedures for 2017/18. Recommendation 1 remains open pending receipt of the emergency and contingency plans.

#### Need to further strengthen controls in light of suspected cases of fraud

- 15. Missions are obliged to undertake investigations when they receive credible allegations of fraud as well as to take measures to mitigate the risk.
- 16. During the period January 2015 to March 2017, the Fuel Unit reported to the Security Section, 34 cases of suspected fraud involving loss of 92,000 litres of fuel valued at about \$64,000. According to incident reports and security investigation summaries reviewed, the cases involved excessive refueling of vehicles (over-consumption) and theft of bulk fuel. The cases were reported in nine locations in the Mission.
- 17. As at 20 March 2017, the Security Section had completed investigations of 32 of the cases and forwarded the results to Mission management for action.
- 18. Following the detection and investigation of the frauds, UNMIL strengthened control measures to manage the risk of fraud. The measures were effective in reducing fraud with only one case reported from June 2016 to March 2017. OIOS assessment of these control measures are as shown in Table 2.

Table 2 - Mission control measures to mitigate fraud and OIOS assessment

No.	Control measure	OIOS Assessment			
1.	Installation of closed-circuit television	Controls had improved, but vulnerabilities remained as CCTV			
	camera (CCTV) systems at major fuel	was not installed in all locations. Nonetheless, to address this,			
	distribution points.	UNMIL increased the number of unannounced spot checks at			
		those locations. For example, during the six months ending			
		December 2016, 259 announced and unannounced spot checks			
		were conducted.			
2.	The Regional Administrative Officer or	Review of this control at Zwedru and Gbarnga confirmed that it			
	representative was required to witness the	was effectively implemented.			
	transfer of fuel to stations in the regions.				
3.	Records were maintained of all vehicles	A review of this control at Star Base, Zwedru and Gbarnga			
	and drivers entering fuel stations at all	confirmed that it was effectively implemented.			
	locations.				
5.	Defective locks were replaced at all	The control was not fully implemented in Star Base, Zwedru and			
	stations to keep the tanks locked when not	Gbarnga. Subsequent to OIOS observations, action was taken by			
	in use.	UNMIL to replace missing and/or broken locks.			
6.	Information from the Electronic Fuel	A review of data generated from EFMS at Star Base, Zwedru			
	Management System (EFMS) was used to	and Gbarnga and other locations confirmed that the Fuel Unit			
	identify discrepancies and exceptions.	used EFMS to detect over-consumption of fuel.			
7.	The Mission established a turnkey	Control was implemented in Monrovia, Zwedru and Gbarnga.			
	contract for fuel services from 1 June	Under the new arrangement, vendors delivered fuel to UNMIL			
8.	UNMIL reduced the number of fuel	and staff acknowledged receipt.  OIOS confirmed reduction of number of fuel stations operated			
0.	stations to 6 (down from 14) and reduced	by the Mission. The Fuel Unit had also developed action plans			
	its fuel holdings strategic fuel reserves.	with timelines for reducing stock holdings further.			
	. 6				

19. However, the control weaknesses identified as part of the investigations conducted by the Security Section were not timely shared with the Fuel Unit. For example, as of 15 March 2017, the Security Section had not communicated to the Fuel Unit control weaknesses related to 13 cases involving suspected fraud, with one case dating back to February 2015. The Security Section stated that upon

completion of investigations of fuel theft, investigation files were submitted to the Office of Mission Support, the Conduct and Discipline Team and the Legal Affairs Section for further action.

- 20. Delayed feedback to the Fuel Unit by the Security Section on potential control weaknesses allowing fraud to be perpetrated did not ensure that controls were strengthen to avoid reoccurrence of theft.
  - (2) UNMIL should implement procedures for the Security Section to communicate results of their investigations to the Fuel Unit promptly, to ensure controls are strengthened accordingly.

UNMIL accepted recommendation 2 and stated that effective 31 May 2017, the Office of Mission Support would ensure timely distribution of investigation reports on fuel misappropriation to the Fuel Unit. Based on the action taken by UNMIL, recommendation 2 has been closed.

#### B. Contract management and administration

#### Vendor performance was monitored

21. The United Nations Procurement Manual requires periodic evaluation of vendors providing goods and services to the Organization. During the period under review, the Mission held monthly performance meetings and completed annual performance evaluation reports, which concluded that vendors' performance was satisfactory. These reports were filed in vendors' procurement files. OIOS concluded that controls relating to vendor performance evaluation were effective.

#### Appropriate payments were made to vendors for goods delivered

- 22. Fuel contracts require UNMIL to pay vendors within 30 days of submission of original invoices. Under the contract with Vendor B, the Mission is also entitled to 1 per cent discount on invoices paid within 30 days. There was no early payment discount offered by Vendor A.
- 23. OIOS reviewed 24 payments (valued at \$7.2 million) out of 148 payments (valued at \$23.3 million) to vendors and confirmed that UNMIL paid vendors in accordance with the terms and conditions of the contracts. The vendors submitted original invoices, using agreed prices, accompanied by copies of task orders, receipt/delivery vouchers and other additional documents requested by the Mission. If all documentation was in order, the Mission paid the vendors within 30 days of receipt of the documentation.
- 24. OIOS confirmed that the Mission obtained discounts for payments made within 30 days to Vendor B. In this regard, during the period 2015/16, the Mission obtained early payment discounts amounting to \$38,703. OIOS concluded that UNMIL had adequate controls over payment of fuel vendors' invoices.

#### Need to recover outstanding payments from United Nations agencies

- 25. UNMIL signed 12 agreements with United Nations agencies operating in Liberia to provide them with fuel from its fuel stations across Liberia. The agencies are expected to reimburse the Mission the cost of the fuel.
- 26. As at 21 March 2017, three agencies had bills totaling \$229,656, which had been outstanding for more than six months.

- 27. Furthermore, there was inadequate coordination between the Fuel Unit and the Finance and Budget Section (FBS) to ensure that all fuel received by agencies was billed. For example, OIOS identified 52,400 litres of diesel (valued at \$33,461) that UNMIL issued to a United Nations agency in April 2015, which was not included in accounts receivable in Umoja. While the Fuel Unit records indicated the fuel had been supplied to the agency, there were no corresponding billing records in the Finance and Budget Section.
- 28. The FBS was following up on outstanding amounts with agencies after 30 days of delivery of fuel, even though the agreements did not specify the timeline within which the agency was expected to pay for the fuel received. The FBS advised that they were involving UNMIL management to liaise with agencies on long outstanding payments.
- 29. Delayed collection of funds from agencies for fuel provided deprived the Mission of resources needed for its operations, and lack of timely reimbursement for fuel provided to third parties, increased the risk of financial loss due to amounts not being recovered.
  - (3) UNMIL should implement procedures to ensure timely collection of outstanding fuel bills from United Nations agencies. This should include issuance of an invoice to a United Nations agency for 52,400 litres of diesel supplied in April 2015 and collection of payment.

UNMIL accepted recommendation 3 and stated that the Fuel Unit would coordinate with FBS to implement real time financial reimbursement procedures to enable prompt collection of bills from agencies. The Mission had also taken corrective action by sending a memo to a United Nations agency for reimbursement of costs for the 52,400 litres of diesel supplied in 2015. Recommendation 3 remains open pending receipt of evidence that long outstanding fuel bills from United Nations agencies have been collected.

(4) UNMIL should implement a procedure for the Fuel Unit and the Finance and Budget Section to reconcile records of fuel supplied to United Nations agencies on a monthly basis to ensure timely reimbursement of cost of fuel provided to third parties.

UNMIL accepted recommendation 4 and stated that the Life Support Section and FBS would meet monthly to monitor and reconcile fuel reimbursements with agencies and third parties. The Fuel Unit had also developed a mechanism for tracking cost recovery requests submitted to FBS and actual payments recovered from agencies. Based on action taken by UNMIL, recommendation 4 has been closed.

### C. Security, safety and quality assurance

Need to strengthen security and safety measures around fuel storage facilities

- 30. Security and safety measures over the storage of fuel are necessary to prevent theft and hazards such as fire.
- 31. OIOS visits to main fuel locations observed that: (a) the fuel tanks at Star Base holding 300,000 litres of diesel reserves were not adequately secured to deter unauthorised access, and not all fuel tanks were properly labelled to show the products they contained; (b) electrical connections were in close proximity to fuel storage areas (c) staff did not wear necessary protective gear such as glasses and gloves when handling fuel; and (d) there was no running water at Gbarnga fuel station which staff could use in case of spillage on staff members.

32. Safety and security lapses increases health and safety risks to staff and exposes the Mission to risks of fire and loss of fuel through theft.

# (5) UNMIL should assess the adequacy of safety and security arrangements at fuel stations and take necessary remedial actions.

UNMIL accepted recommendation 5 and stated that the Fuel Unit had implemented additional safety and security measures at all UNMIL fuel stations such as locking and sealing of access points of fuel tanks/trucks when not in use and installation of closed-circuit television cameras at UNMIL fuel stations in Monrovia. Also, the Mission planned, by 17 July 2017, to install cameras at Mission fuel stations in Voinjama and Zwedru as well as construct a fence around the fuel farm tanks at Starbase in Monrovia. Recommendation 5 remains open pending receipt of evidence of the completion of all the safety and security measures that are currently under implementation.

#### Quality controls were applied over aviation and ground fuels

- 33. The DPKO/DFS Manual on Fuel Operations and UNMIL Fuel Standard Operating Procedures provide for quality controls on receipt, storage and dispensing of aviation and ground fuel. UNMIL mainly used diesel and Jet A-1 in its operations. Diesel was stored both at the Mission and vendors' premises, while Jet A-1 was only stored by the vendor and directly dispensed to United Nations aircraft.
- 34. UNMIL implemented adequate key controls over receipt and storage of diesel and Jet A-1. The Mission tested that fuel was free of contaminates on receipt of fuel and periodically thereafter, conducted annual quality assurance inspections at the vendor's aviation fuel storage facilities and compiled reports. Main findings were reported and recommendations followed up.
- 35. Based on review of quality assurance documentation kept by the Fuel Unit and results of tests conducted at fuel stations, OIOS concluded that UNMIL had adequate controls on quality assurance on fuel used for aviation and ground fuel.

#### D. Monitoring of fuel use

#### Fuel consumption was monitored

- 36. UNMIL Fuel Unit is expected to implement adequate controls to monitor use and safeguard fuel in the Mission.
- 37. UNMIL's procedures for monitoring and safeguarding fuel included: a) monitoring monthly fuel consumption at Mission locations for unusual trends; b) daily reconciliation of manual log records prepared at fuel stations with EFMS daily stock movement reports; c) using EFMS to identify vehicles and equipment with higher consumption rates beyond set standards for further enquiry; and d) conducting regular physical stock takes and comparing actual quantities with book balances.
  - a) Monitoring monthly fuel consumption
- 38. The Fuel Unit prepared monthly reports detailing fuel received and issued at each fuel station and compared the resulting balances with actual physical stock held. The Unit adjusted book balances with differences that were within tolerable limits, reviewed differences that were outside the limits and, where necessary, reported the matter to the Security Section for investigation, management action and stock

write-off. In addition, the Fuel Unit maintained a database of fuel consumption since 2014, which it used to review monthly consumption trends in various locations and follow up unusual trends noted.

- b) Daily reconciliation of records
- 39. At the end of each day, the Fuel Unit reconciled the daily record of fuel supplied at each fuel station by comparing log sheets, signed by recipients as acknowledgement of fuel received, with EFMS activity reports. OIOS review of 58 out of 452 transactions for November and December 2016 in Gbarnga, and 61 out of 409 transactions for December and July 2016 in Zwedru, indicated that correct quantities, product and Odometer readings that were signed for by the recipients on the log sheets were captured in EFMS.
  - c) Monitoring fuel consumption
- 40. Periodically, the Fuel Unit checked the reasonableness of fuel consumption patterns by vehicles and generators in order to detect fraud. OIOS reviewed incident reports in which the Fuel Unit reported unusual consumption of fuel by vehicles which turned out to be fraud. The Unit detected the potential frauds by filtering data in EFMS to identify vehicles which were consuming fuel beyond set standard consumption rates. OIOS reviewed incident reports of 14 of the 34 cases in 2015-2017 that were detected using this approach.
  - d) Fuel stock taking
- 41. The Mission undertook stock takes on a monthly basis and during random spot checks. According to fuel records reviewed, the Fuel Unit conducted 81 spot checks in the Mission between July 2016 and March 2017. The physical stock holdings were compared with records kept manually and in EFMS. Any significant differences were reviewed and, where necessary, forwarded to the Security Section for investigation. OIOS also conducted independent stock takes in Monrovia (Star Base) on 9 March 2017, Zwedru on 13 March 2017 and Gbarnga on 16 March 2017 and agreed results to book balances.
- 42. Based on the results of work done, OIOS concluded that the monitoring controls relating to monthly consumption trend analysis, daily reconciliation of manual and electronic records, review of consumption patterns of vehicles and generators, and physical stock taking were adequate for safeguarding fuel.

#### V. ACKNOWLEDGEMENT

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

(Signed) Eleanor T. Burns Director, Internal Audit Division Office of Internal Oversight Services

#### STATUS OF AUDIT RECOMMENDATIONS

#### Audit of fuel management in the United Nations Mission in Liberia

Rec.	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	UNMIL should develop emergency and contingency plans to ensure continuous fuel supply and keep them up-to-date.	Important	О	Submission of finalized fuel emergency and contingency plans.	30 June 2017
2	UNMIL should implement procedures for the Security Section to communicate results of their investigations to the Fuel Unit promptly, to ensure controls are strengthened accordingly.	Important	С	Action completed	Implemented
3	UNMIL should implement procedures to ensure timely collection of outstanding fuel bills from United Nations agencies. This should include issuance of an invoice to a United Nations agency for 52,400 litres of diesel supplied in April 2015 and collection of payment.	Important	0	Submission of evidence that long outstanding fuel bills from United Nations agencies have been collected.	30 June 2017
4	UNMIL should implement a procedure for the Fuel Unit and the Finance and Budget Section to reconcile records of fuel supplied to United Nations agencies on a monthly basis to ensure timely reimbursement of cost of fuel provided to third parties.	Important	С	Action completed	Implemented
5	UNMIL should assess the adequacy of safety and security arrangements at fuel stations and take necessary remedial actions.	Important	0	Submission of evidence of the completion of all safety and security measures that are currently under implementation.	31 July 2017

<sup>&</sup>lt;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>&</sup>lt;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>&</sup>lt;sup>4</sup> Date provided by UNMIL in response to recommendations.

# **APPENDIX I**

**Management Response** 

#### **Management Response**

#### Audit of fuel management in the United Nations Mission in Liberia

Rec.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNMIL should develop emergency and contingency plans to ensure continuous fuel supply and keep them up-to-date.	Important	Yes	Fuel Unit	30 June 2017	The emergency and contingency plans will be drafted immediately and will implement immediately upon approval from Chief Life Support which be included in the revised Fuel SOP 2017/18.
2	UNMIL should implement procedures for the Security Section to communicate results of their investigations to the Fuel Unit promptly, to ensure controls are strengthened accordingly.	Important	Yes	Security Section and Fuel Unit	31 May 2017	SIU reports are sent directly to the office of the Director of Mission Support. Effectively immediately, that office will ensure timely distribution of investigation reports on fuel misappropriation to the Fuel Unit.
3	UNMIL should implement procedures to ensure timely collection of outstanding fuel bills from United Nations agencies. This should include issuance of an invoice to a United Nations agency for 52,400 litres of diesel supplied in April 2015 and collection of payment.	Important	Yes	Finance Section and Fuel Unit	30 June 2017	The Fuel Unit will coordinate with FBS to implement real time financial reimbursement procedure to enable the prompt collection of bills from agencies. On observation reported by auditors for the non-recovery of payment from UN Agency for the 52,400 litres of diesel supplied in April 2015, Fuel Unit and FBS immediately took corrective action and send memo to the agency for the reimbursement. Both Fuel Unit and FBS are closely working with the agency for the recovery; it is expected to resolve the issue by 30 June 2017. See attached memo send to the agency on dated 05 April 2017 for the recovery from the agency.

<sup>&</sup>lt;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>&</sup>lt;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 fuel management in the United Nations Mission in Liberia

Rec.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
4	UNMIL should implement a procedure that the Fuel Unit and Finance Section reconcile records of fuel supplied to United Nations agencies on a monthly basis to ensure timely reimbursement of fuel provided to third parties	Important	Yes	Finance Section and Fuel Unit	30 June 2017	FBS and Fuel Unit will implement monthly monitoring and reconciliation of reimbursements. The procedure will cover all fuel reimbursement from agencies as well as third parties. This procedure will be implemented together with the repayment control system. The Fuel Unit has developed a matrix that will track cost recovery requests submitted to FBS against actual payments recovered from agencies. It is agreed between the Fuel Unit and FBS to meet on the 30 <sup>th</sup> of every month to discuss the recovery of payments from UN agencies and third parties, and if necessary will initiate immediate recovery action for the settlement of funds. See the attached matrix to monitor the reimbursement of payments from UN agencies and third parties.
5	UNMIL should assess the adequacy of safety and security arrangements at fuel stations and take necessary remedial actions.	Important	Yes	Fuel Unit	31 July 2017	With the advice from OIOS during the audit, the Fuel Unit has implemented additional safety and security measures at all UNMIL fuel stations. The measures taken to safe guard the fuel stations include: all the access points of fuel tanks/truck are locked and sealed when not in use; the Electronic Fuel Management System (EFMS) is in place to identify misappropriation of fuel; in the sectors, the RAOs or their representatives are required to witness the transfer of fuel to the station and generators; the Chief Security Advisor agreed that international staff of the Security Section will join the efforts of Life Support in carrying out fuel inspections and random checks; records are taken and maintained of all UNMIL vehicles and drivers entering fuel stations; the Fuel Unit continues with conducting announced/unannounced fuel audits and stock monitoring on a daily basis; CCTV installed at PAP, Star Base, RIA and will be installed at Voinjama and Zwedru by 17 July 2017; the fence will be constructed around the fuel farm tanks in Starbase by 17 July 2017. See the attached document for further details (Safe Guard of UNMIL Fuel).