



INTERNAL AUDIT DIVISION

REPORT 2021/045

Audit of fleet management in the United Nations Mission in the Republic of South Sudan

**Action was needed to improve the efficiency
and effectiveness of the Mission's fleet
management operations**

24 September 2021

Assignment No. AP2020-633-05

Audit of fleet management in the United Nations Mission in the Republic of South Sudan

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of fleet management in the United Nations Mission in the Republic of South Sudan (UNMISS). The objective of the audit was to assess how effectively and efficiently UNMISS is managing its vehicle fleet. The audit covered the period from 1 July 2018 to 31 May 2021 and included: the functioning of the Vehicle Establishment Committee (VEC); monitoring of vehicle availability and use; safe operation of vehicles; environmental considerations; and vehicle repairs, maintenance and workshop operations.

UNMISS established a VEC that reviewed and approved the vehicle holdings of the Mission. Additionally, the Mission had issued appropriate administrative instructions and guidelines on road safety and safe operation of vehicles including on zero tolerance on drinking and driving, speed limits, avoiding idling and parking violations. However, action was needed to improve the efficiency and effectiveness of its fleet management operations.

OIOS made six recommendations. To address issues identified in the audit, UNMISS needed to:

- Ensure contractors have adequate insurance coverage prior to loaning them United Nations vehicles for use by their staff;
- More rigorously track historical consumption patterns to enable it to establish optimum stock and replenishment levels, and identify obsolete and slow-moving spare parts for their possible disposal or redeployment;
- Ensure that only individuals with valid UNMISS permits drive the Mission's vehicles and that check-out procedures for contractor staff include sign-off by the Transport Section;
- Implement stricter and more effective measures to enforce sanctions for vehicle utilization violations;
- Mitigate environmental, health and safety risks by ensuring: used spare parts and oil products are properly disposed of; workshop structures are adequate for their purpose; annual inspections of all workshops are conducted and corrective actions identified are implemented in a timely manner; and
- Track vehicle maintenance notifications to ensure regular checks are done.

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

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Audit of fleet management in the United Nations Mission in the Republic of South Sudan

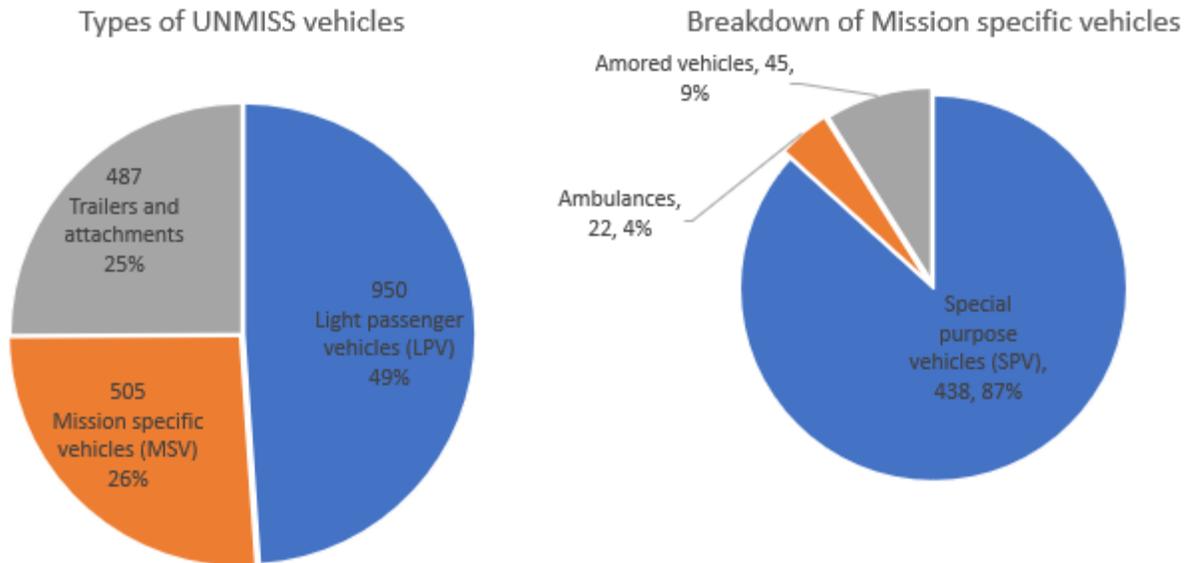
I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of fleet management in the United Nations Mission in the Republic of South Sudan (UNMISS).

2. The Transport Section is responsible for the overall management, maintenance and operation of the United Nations-owned vehicles and related equipment to provide safe, efficient, reliable and cost-effective surface transportation services in support of the implementation of the Mission's mandate. Transport operations and activities are governed by the United Nations Surface Transportation Manual (the Manual) and UNMISS vehicle utilization and operating policies and procedures.

3. The Transport Section is comprised of six units: (i) Transport Asset Management; (ii) Road Safety, Training and Permit; (iii) Carlog; (iv) Fleet Operations; (v) Transport Business Management; and (vi) Fleet Maintenance. The Section is headed by the Chief Transport Officer (CTO) at the P-5 level, who reports to the Chief of Service Delivery. The Section has 206 staff consisting of 28 international staff, 151 national staff and 27 United Nations volunteers working in Juba and nine field offices. As of 31 December 2020, UNMISS had 1,942 vehicles as shown in Figure 1 with an acquisition cost of \$94 million and net book value of \$36 million.

Figure 1: Mission vehicles as at 31 December 2020



4. The Mission specific vehicles (MSV) included 438 special purpose vehicles such as fire, water and fuel trucks, 22 ambulances, and 45 armored vehicles. The Mission operated 13 workshops and repair facilities for the maintenance of its fleet. There were also two contracts for repair of vehicles and spraying and painting services with two local repair workshops for not-to-exceed (NTE) amounts of \$340,000 and \$140,000 respectively.

5. The UNMISS budget for operating costs for ground transportation was \$8.6 million and \$9.5 million for the 2019/20 and 2020/21 financial years respectively.

6. Comments provided by UNMISS are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess how effectively and efficiently UNMISS is managing its vehicle fleet.

8. This audit was included in the 2020 risk-based work plan of OIOS due to operational and financial risks and the criticality of surface transport to support the implementation of the Mission's mandate.

9. OIOS conducted this audit from September 2020 to June 2021. The audit covered the period from 1 July 2018 to 31 May 2021. Based on an activity-level risk assessment, the audit covered higher and medium risk areas of fleet management including: the functioning of the Vehicle Establishment Committee (VEC); monitoring of vehicle availability and use; safe operation of vehicles; environmental considerations; and vehicle repairs, maintenance and workshop operations.

10. The audit methodology included: (a) interview of key personnel; (b) review of the minutes of the two meetings of the VEC held in the audit period; and (c) analytical review of Carlog data. The sample testing included: (i) 93 out of 1,229 driving permits records; (ii) all five workshop safety inspection reports; (iii) 220 of 838 vehicle maintenance reports; and (iv) 25 of 151 repair task orders referred to external workshops.

11. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Vehicle establishment, and monitoring vehicle availability and use

The Vehicle Establishment Committee was functioning effectively

12. UNMISS had established a VEC, which was composed of management from the Mission Support Division and from the substantive, military, and police pillars. The VEC met in August 2019 and November 2020 and reviewed, among others: (i) requests made for procurement of additional vehicles; (b) vehicle operational utilization rates; and (c) allocation of vehicles to Mission sections/units and third-party entities.

13. The VEC made various recommendations, which had been implemented or were in progress of being implemented, including: (a) procurement of additional buses and material handling equipment (MHE) instead of purchasing new vehicles due to decrease in utilization caused by the COVID-19 pandemic; (b) establishment of the optimum number of light passenger vehicles (LPVs) at 950 and 505 MSVs; and (c) construction of bus stop shelters at accommodation clusters.

14. OIOS concluded that the VEC carried out its functions effectively, but it would have been preferable to hold the November 2020 meeting earlier in the year to ensure any outcomes were factored into the 2021/22 budget submission. UNMISS advised that the delay in the 2020 VEC meeting was due to the COVID-19 pandemic and vehicle requirements are usually indicated in a five-year plan which are updated at the VEC meetings and are therefore considered in the budgets proposed for each fiscal year.

UNMISS vehicles were entrusted to third-party entities without ensuring that they had the required general liability insurance coverage

15. It is not unusual for peacekeeping missions to provide vehicles to third-party entities, but the terms and conditions of such arrangements should be contained in an agreement or contract that includes details on cost recovery and liability for their use.

16. The Mission had loaned 47 LPVs (acquisition value of about \$1 million) to five third-party entities: (a) 24 to two UNMISS contractors; (b) 2 to two United Nations agencies; and (c) 21 to two troop-contributing countries (TCCs). These allocations were reviewed by the VEC and included in the optimum number of LPVs required by the Mission.

17. UNMISS had a signed Memorandum of Understanding (MoU) with the United Nations agencies on the loan of vehicles for which regular cost recovery payments were received. Also, in the MoUs with the two TCCs and the United Nations, it was agreed that UNMISS would provide ground transportation support to the contingents.

18. The contractual agreements with the two UNMISS contractors (air crew and information communication technology services) gave UNMISS the option to provide vehicles and fuel as transportation assistance. All third-party employees who used these 24 vehicles had signed the waiver/release of liability form. However, the contractors had not fulfilled their obligation to carry general liability insurance coverage over these vehicles, for which such safeguards are needed in case of an accident. Inadequate insurance coverage resulted as the Transport Section did not have copies of the contracts with these contractors, and therefore had not checked what additional insurance coverage was needed.

(1) UNMISS should ensure that contractors have adequate insurance coverage in place prior to loaning them United Nations vehicles for use by their staff.

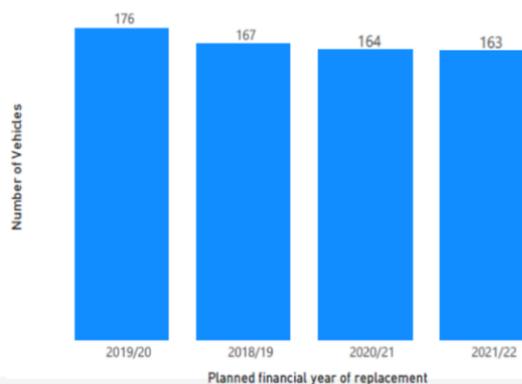
UNMISS accepted recommendation 1 and stated that protection against damage or loss to United Nations vehicles being used by contractors' employees was already integrated in signed agreements with the contractors. Nonetheless, UNMISS would further put in place a mechanism to ensure contractors provide attestation of their insurance coverage and commitment to renewal upon expiry. Recommendation 1 remains open pending receipt of evidence of implementation of the new mechanism to ensure contractors have adequate insurance coverage.

UNMISS implemented a plan to replace aging vehicles

19. To ensure an economical and efficient vehicle fleet and to reduce the environmental footprint from aging vehicles, UNMISS had in 2017/18 developed a vehicle replacement plan and identified vehicles that had passed their economic useful life with a view to phasing them out over a four-year period. Based on the replacement plan, 650 LPVs met or were expected to meet the criteria as shown in Figure 2.

20. The Mission had progressively implemented the replacement plan and procured 333 new LPVs but had not yet replaced 174 of them by the end of 2020/21. This was due to budgetary constraints and the impact of the COVID-19 pandemic that resulted in

Figure 2: Number of vehicle planned for replacement by financial year



a reduction in vehicle utilization leading to the Mission deciding to put the procurement of additional LPVs on hold. Nevertheless, the Transport Section was continually monitoring the operating cost of the 174 vehicles that had passed their life expectancy with a view to avoiding excessive maintenance costs and ensuring their operating costs were within acceptable levels.

The data management system was inadequate to monitor the efficiency and effectiveness of the Mission's fleet management activities

21. For effective management of its vehicle fleet, UNMISS needs to have a robust system to capture data to monitor vehicles use, their speed and distances travelled, as well as monitor their idling times to reduce environmental impact and to trigger maintenance requirements. While UNMISS had installed an Electronic Vehicle Monitoring System (Carlog) in its vehicles and was downloading reports from Carlog to monitor vehicles speed, idling times and distance covered, the data captured in the system was not reliable or complete. This was mainly because data was not systemically and timely downloaded via receiving stations and in some locations, drivers did not have access to receiving stations. There were also instances where the Carlog functionality was overridden, which occurred 247 times in the audit period. In such cases, the process was for drivers to continue to swipe their Mission permits to enable the use of the functionality to be monitored by the Transport Section. This was not being done, and the Transport Section was not following up to ensure adherence to the Mission's instructions.

22. The Carlog fuel monitoring functionality was also not used. This was because management was of the view that it was duplicative, following the launch in June 2014 of the electronic fuel management system (EFMS) that captured fuel consumption per vehicle. However, as reported in an OIOS audit of fuel management (report 2021/014 of 17 May 2021), the Mission was not using EFMS information to analyze fuel consumed per vehicle. Therefore, the Mission was unable to easily identify certain inefficiencies in performance of vehicles through the level of fuel being used; an indicator that a vehicle may need to be repaired or replaced.

23. To address the shortcomings and limitation of the current Carlog system, the Mission was rolling out an upgrade (the World Fleet Log – F1 Fleet Management System (F1 FMS)) of the existing Carlog system as an interim solution, while awaiting the finalization of the purchase of a United Nations Organization-wide application by the Procurement Division. UNMISS advised that it could take up to two years for the new system to be rolled out. Due to this, the Mission initiated the installation of the interim upgrade in April 2020 and at the time of the audit, 73 vehicles had been equipped with the necessary devices. However, there was still a long way to go to install the upgrade, which means that the Mission has no reliable system to monitor the use of its vehicles. Therefore, since the current Carlog is not suitable for monitoring the effectiveness and efficiency of the UNMISS fleet for which considerable resources are invested, in OIOS view, the introduction of F1 FMS should be prioritized.

24. In response, UNMISS informed that it had established a multi-year plan to implement the upgrade and submitted a request to increase the NTE of the existing systems contract in April 2021. However, this was not approved, and UNMISS was requested to refrain from upgrading its Carlog system as the Office of Supply Chain Management in the Department of Operational Support (DOS) was working to find a new fleet management and vehicle tracking system. The timeline for the future system depends on United Nations Global Service Center in Brindisi and DOS technical support teams who are directing and instructing the technical process. While the absence of a proper system to capture data for monitoring vehicle utilization is not a satisfactory situation, as action is already underway by DOS to procure a new system, OIOS does not make a recommendation at this time.

Need for effective controls over spare parts stocks

25. To ensure continued availability and to avoid disruption in operations, UNMISS needs to maintain an optimal level of spare parts.

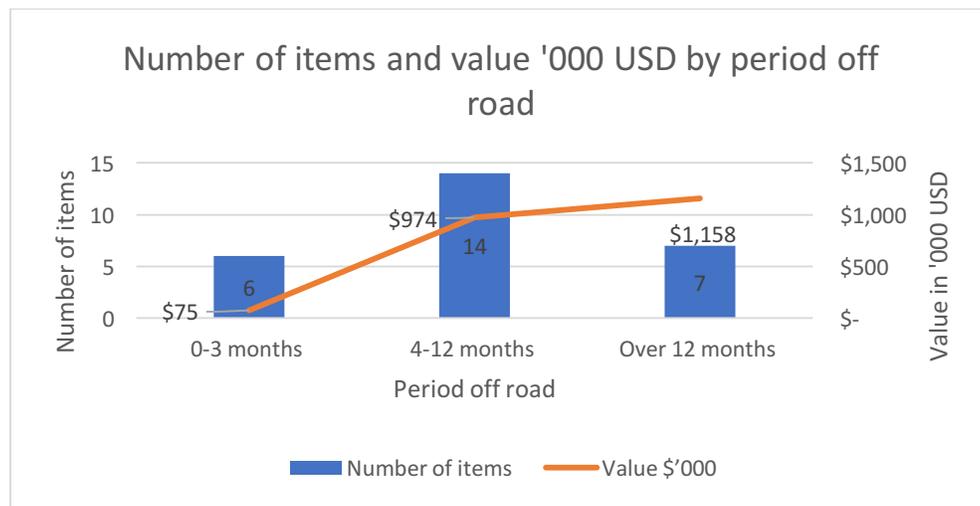
26. As of 31 December 2020, UNMISS had 17,573-line items of spare parts inventory valued at \$5.2 million. From a sample check of 42-line items valued at \$969,000, OIOS did not find any discrepancies between actual physical quantities and inventory records. Moreover, the spare parts inventory was normally verified at least once a year, and a procedure was in place to adjust records based on any differences identified. As of April 2021, the annual cyclical count for 2020/21 was slightly behind schedule at 74 per cent of items counted but this was mainly due to delays caused by COVID-19 movement restrictions.

27. OIOS visit to the Juba warehouse showed that due to insufficient warehouse space, spare parts were stored in containers and tented halls. These conditions were not ideal, and for instance, the tented hall where tyres were stored had inadequate lighting and gaps in its structure. This exposed this inventory to increased risks of damage and theft.

28. The Mission was also not adequately tracking historical consumption trends and had not determined optimum and safety stock levels, minimum order quantities and reorder levels to ensure spare parts were available when needed and to ensure overstocking and obsolescence was kept to a minimum. The following were noted:

- Slow moving items¹ were not always systematically identified, reviewed and optimum levels set to determine any excesses for possible transfer to other missions. Stock consumption records showed that there were: (a) 2,257-line items (valued at \$1.9 million and constituting 37 per cent of the Mission’s spare parts inventory) that had not been issued for over 12 months; and (b) 1,764-line items (valued at \$1.5 million) that had no movement since transitioning to Umoja in 2017;
- As of 31 December 2020, 27 vehicles and transport equipment valued at \$2.2 million were off road for periods ranging from a few weeks to over 12 months due to spare part shortages, as shown in Figure 3;

Figure 3: Analysis of vehicles off road



¹ Slow-moving items are defined as items that have had no transactions within the last 12 months or longer

- The lengthy customs clearing process and host government administrative bottlenecks also impacted the ability of the Transport Section to repair vehicles in a timely manner. OIOS analysis of 36 of the 40 spares parts line-items requisitions valued at \$1.3 million and received by the Mission were delayed by an average of 9 months, some taking more than 12 months to be delivered.

29. The above resulted because of: (a) the lack of Mission-specific inventory management standards for determining individual optimum stock holding levels; (b) prolonged customs processes including administrative bottlenecks with the host Government relating to tax exemptions which the Mission is working to resolve; and (c) exceptional procurements not covered by system contracts. For example, three MSV with acquisition cost of \$160,000 have remained off road for over two years because of problems procuring spare parts as the model had been phased out by the manufacturer. As a result of the above, valuable storage space was inefficiently used for slow-moving stock items and delays in receipt of parts procured resulted in vehicles being off the road for longer than necessary. UNMISS advised that it has attended several meetings and continues to engage the Ministry of Foreign Affairs to reduce or eliminate bottlenecks faced in importation of spare parts.

(2) UNMISS should improve its inventory management practices by: (a) more rigorously tracking historical consumption patterns and thus establishing optimum stock and replenishment levels; and (b) identifying obsolete and slow-moving spare parts for their possible disposal or redeployment where appropriate.

UNMISS accepted recommendation 2 and acknowledged the limitation of manual analysis of historical consumption and stated that it would adopt new procedures as part of the implementation of the enterprise Supply Chain Planning Tool. On full deployment, expected in October 2021, all historical consumption would be tracked and optimum stock levels together with replenishment levels would be established. UNMISS further stated it continued to identify slow-moving parts on a monthly basis. However, considering the long lead time (up to one year) of resupply, it was considered in the best interest of the Mission not to dispose spare parts as long as UNMISS still operated the specific vehicles that required them. Recommendation 2 remains open pending receipt of evidence that optimum stock and replenishment levels have been established and appropriate holding levels for slow-moving items have been determined.

B. Safe operation of vehicles

There was an opportunity to improve the functioning of the Road Safety Committee

30. UNMISS established a Road Safety Committee (RSC) to, among others: (a) review road accidents involving Mission vehicles to identify unsafe behavior; (b) identify suitable methods or strategies to ensure safe driving operations; and (c) monitor the progress of the Mission's road safety programme.

31. UNMISS was issuing various directives and instructions on road safety including on drinking and driving zero tolerance policy, driving speed limits, avoiding idling, and parking violations. It also had road safety awareness and sensitization programmes including an annual road safety week. The road safety awareness programmes were prominently posted on the Mission's intranet and posters and banners were located at strategic locations within the Mission.

32. An analysis of accidents noted very little movement year on year, with 119 in 2018, 127 in 2019 and 121 in 2020 (even with lower utilization due to the pandemic). This could be an indicator that road safety awareness programmes are not fully effective. It could also be because RSC was not regularly meeting (the last meeting was in May 2019). Also, military drivers were responsible for 53 per cent of the

121 accidents reported in 2020, and although sanctions were imposed when required, there was an opportunity for the Mission to conduct further analysis to identify causes of road accidents and to recommend additional mitigating measures including up-dating its road safety awareness programmes. This was more so as OIOS analysis did not find trends or distinguishable patterns of accidents that could be attributed to the poor road infrastructure.

33. UNMISS informed that the RSC would convene more regularly to address safe use of Mission vehicles and recommend enforcement of additional measures to enhance proper driving attitudes across the Mission.

Need to improve supervision over the issuing of driving permits

34. Only staff who: pass the Transport Section-administered driving test, meet medical requirements including having satisfactory vision, and have a valid national driver's license (NDL) are eligible to operate Mission vehicles.

35. During the audit period, 1,229 driving permits were issued to Mission personnel and independent contractors. A sample of 93 randomly selected driving permits showed that 90 of them were issued after the individual had successfully passed the driving and vision tests. However, control weaknesses in the process were noted including renewing permits to some staff whose NDL had expired. The CTO attributed this to the COVID-19 pandemic where staff members were prevented from travelling to their home countries to obtain a current permit. The Transport Section was also not systematically invalidating permits upon check-out by contractor staff, as their check-out procedures did not require them to be cleared by the Transport Section. Thus, contractor staff could leave the Mission without the knowledge of the Section and surrendering Mission-issued permits.

36. A review of data from Carlog showed that as of 31 December 2020, 239 personnel were operating Mission vehicles using expired Mission-issued permits, with 55 of them having expired in 2019 or before. These personnel were responsible for multiple trips, as evidenced by Carlog data and on three occasions the drivers (without a valid license) were involved in accidents. Drivers without valid NDLs and Mission driving permits increase the risk of accidents occurring, which could result in financial loss to the organization as well as reputational damage. The CTO acknowledged that one of the drawbacks of Carlog was the inability to remotely deactivate permits once they had expired.

(3) UNMISS should improve procedures to ensure that only individuals with valid UNMISS permits drive the Mission's vehicles and check-out procedures for contractor staff include sign-off by the Transport Section.

UNMISS accepted recommendation 3 and stated that it would engage the Security Section and the Military Police to conduct random checks of driving permits' validity and make Section Chiefs responsible for the check-out of contractor staff to ensure that driving permits were returned to the Transport Section. Recommendation 3 remains open pending receipt of evidence that procedures have been established to prevent the use of expired permits by drivers of UNMISS vehicles and contractor personnel check-out procedures include return of driving permits to the Transport Section

Sanctions imposed for transport-related violations did not serve as effective deterrents

37. UNMISS established sanctions for vehicle and traffic-related actions resulting in damage due to improper or careless use of Mission vehicles. For instance, sanctions were imposed for: vehicle idling for

more than 30-minutes; and after exceeding the maximum speed limit by more than 10 per cent continuously for one minute (Carlog provides an alert for the driver to revert to the normal speed).

38. In the review period, 446 drivers were sanctioned for violations such as idling, excessive speeding and parking in unauthorized locations. Of the 446, some 143 drivers represented drivers who committed multiple violations. This included 2 drivers sanctioned for six occurrences of excessive speeding and 18 drivers were repeat violators for more than one type of violation, i.e., speeding, idling, and driving under the influence of alcohol. The sanctions imposed ranged from a warning, suspension, to permanent withdrawal of their driving permit.

39. However, there was inadequate monitoring of the enforcement of sanctions against violators especially when driving privileges were to be suspended. This is because the notification of suspension normally indicated that the sanction was effective from the date the driver submitted the permit to the Section. Although the sanction letter indicated that drivers were to submit their permits within 48 hours after notification, this was not always strictly complied with. For example, there were four instances where drivers had been notified of a sanction but went on to commit other violations during the period when they should have had their permits suspended. In another occurrence, a driver whose permit was suspended was involved in an accident using another individual's driving permit without his knowledge resulting in the permanent withdrawal of the permit of the violator.

40. As the audit was ongoing, the Mission issued a broadcast on 13 July 2021 reminding staff members of the requirement to submit driving permits within 48 hours after sanctions. The CTO also initiated a tracking mechanism for monitoring compliance with the deadline and recording and comparing the dates of the sanction letter against the date the permit was submitted. In addition, UNMISS needs to take action to reduce the number of violations through influencing changes in behavior towards achieving better vehicle utilization practices from all Mission personnel.

(4) UNMISS should implement stricter and more effective measures to enforce sanctions for vehicle utilization violations through appropriate coordination between the relevant mission components such as the Transport Section, Security Section and the UNMISS military police.

UNMISS accepted recommendation 4 and stated that it would take action at the next RSC meeting, to have the Security Section, Provost Marshall and the Military Police enforce sanctions issued against violators. Recommendation 4 remains open pending receipt of evidence that stricter and more effective measures for enforcing sanctions for vehicle use violations are in place.

C. Environmental considerations

Improvements were required to mitigate environmental and safety risks

41. Vehicle workshops were generating waste materials such as tyres, batteries, oil and scrap metal. Used oil was expected to be collected by a supplier for disposal, with the Property Disposal Unit (PDU) responsible for disposal of other materials. OIOS inspection of heavy vehicle workshops in Juba noted an accumulation of used parts and products that had not been transferred to the PDU scrap yard. Inspection reports also reported cases of soil contamination from oil leakages, accumulations of unserviceable items, lack of segregation between new and waste oil and spoiled oil products not handed over to the supplier. While UNMISS indicated that it was taking action to address the leakage of oil, workshop management needed to be more attentive to ensure used parts and oil are disposed of in an environmental and timely manner.

42. UNMISS only conducted five safety inspections of the 13 Mission workshops in the audit period even though it is recommended that annual inspections be done. For the five conducted, there was no follow-up on status of recommendations raised after the inspections to ensure necessary improvements had been made. In addition to the environmental issues mentioned above, inspections reported: (a) defects in four of the workshops structures including water leakage after rains; (b) insufficient fire mitigating measures such as non-functioning fire extinguishers in two workshops; and (c) lack of installed car lifts due to an unsuitable workshop structure in two workshops. UNMISS advised that the reduction in the number of inspections was because of travel restrictions caused by the COVID-19 pandemic and budgetary constraints. UNMISS also did not have a system to track implementation of inspection recommendations.

43. Due to the current conditions of workshops and the lack of timely implementation of recommendations, environmental risks went unmitigated, and there were increased health and safety risks to personnel working in the workshops.

(5) UNMISS should implement measures to mitigate environmental, health and safety risks by ensuring: (a) used spare parts and oil products are properly disposed of; (b) workshop structures are adequate for their purpose; and (c) annual inspections of all workshops are conducted and a system put in place that ensures corrective actions identified are implemented in a timely manner.

UNMISS accepted recommendation 5 and stated that a corrective and preventive action system which documented identified risks and tracked the implementation of mitigating recommendations related to occupational safety and health (OSH) and environmental issues was in place. OSH and environmental inspections on the issues identified in the audit would be carried out at all field offices during the coming budget cycle. Recommendation 5 remains open pending receipt of evidence that measures to mitigate environmental, health and safety hazards in transport workshops have been established.

D. Vehicle repairs and maintenance and workshop operations

Regular maintenance services of some vehicles were not done

44. The Transport Section established guidelines for preventive maintenance after the first 1,000 kilometers and thereafter after every 5,000 kilometers, with Carlog set to alert drivers when maintenance is due. Regular maintenance is also a basic element of the fleet safety programme.

45. An examination of a random sample of 220 of 838 vehicles acquired prior to 2018 (as they were more susceptible to the need for regular maintenance) indicated that drivers were not submitting vehicles for servicing in a timely manner. For example: (a) 137 vehicles did not undergo the required three 5,000-kilometer preventive maintenance services; and (b) 180 vehicles had preventive maintenance services after they had been driven more than 5,000 kilometers since the prior maintenance. Irregular maintenance scheduling was mainly due to lack of monitoring of Carlog data and follow-up to ensure drivers promptly submitted vehicles for regular maintenance.

46. Insufficient maintenance of vehicles increases risk of unexpected breakdowns and may: reduce the longevity of vehicles' useful life, be the cause of unnecessary environmental issues, and impact availability of the vehicles to support the Mission's mandated tasks. The CTO informed that it was the drivers' responsibility to bring in their vehicles for maintenance, and sanctions were occasionally given to drivers for unreasonable delays in presenting vehicles for maintenance. The CTO also mentioned that Carlog unfortunately was not generating reports for overdue maintenance.

(6) UNMISS should, to improve the efficiency of its vehicle fleet, track vehicle maintenance notifications and take steps to ensure regular maintenance checks are done.

UNMISS accepted recommendation 6 and stated that although there were three different measures already in place to ensure regular maintenance checks, the procedures would be strengthened by configuring Carlog to send out email notifications to users of vehicles overdue for maintenance. Recommendation 6 remains open pending receipt of evidence of steps taken to ensure regular maintenance checks of vehicles.

Timeliness of repair and maintenance services provided by contractors could be improved

47. As a cost-effective measure and due to internal capacity limitations, the Transport Section had outsourced to two external workshops: (a) repairs to body work of damaged vehicles; and (b) spraying and painting services. The Transport Section issued 107 and 44 task orders to the two external workshops totaling \$96,000 and \$33,000 respectively. The cost estimates prepared by the contractors were approved by UNMISS workshop managers. OIOS sample of 25 task orders showed that it took an average of three weeks to complete the required work, which in some cases seemed long. This may have resulted as the contractor was not provided timelines for completion of the work, and in some cases the required spare parts were not promptly provided to them by UNMISS. The CTO informed that the Section was generally satisfied with the performance of the contractors but advised that the Section had amended the task order to include the timelines for the repair services to be completed and modified the internal monitoring reports to ensure contractors' compliance with them.

IV. ACKNOWLEDGEMENT

48. OIOS wishes to express its appreciation to the management and staff of UNMISS 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 fleet management in the United Nations Mission in the Republic of South Sudan

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	UNMISS should ensure that contractors have adequate insurance coverage in place prior to loaning them United Nations vehicles for use by their staff.	Important	O	Receipt of evidence of implementation of the new mechanism to ensure contractors have adequate insurance coverage.	28 February 2022
2	UNMISS should improve its inventory management practices by: (a) more rigorously tracking historical consumption patterns and thus establishing optimum stock and replenishment levels; and (b) identifying obsolete and slow-moving spare parts for their possible disposal or redeployment where appropriate.	Important	O	Receipt of evidence that optimum stock and replenishment levels have been established and appropriate holding levels for slow-moving items have been determined.	20 April 2022
3	UNMISS should improve procedures to ensure that only individuals with valid UNMISS permits drive the mission's vehicles and check-out procedures for contractor staff include sign-off by the Transport Section.	Important	O	Receipt of evidence that procedures have been established to prevent the use of expired permits by drivers of UNMISS vehicles and contractor personnel check-out procedures include return of driving permits to the Transport Section.	31 December 2021
4	UNMISS should implement stricter and more effective measures to enforce sanctions for vehicle utilization violations through appropriate coordination between the relevant mission components such as the Transport Section, the Security Section and UNMISS military police.	Important	O	Receipt of evidence that stricter and more effective measures for enforcing sanctions for vehicle use violations are in place.	31 December 2021
5	UNMISS should implement measures to mitigate environmental, health and safety risks by ensuring: used spare parts and oil products are properly disposed of; workshop structures are adequate for	Important	O	Receipt of evidence that measures to mitigate environmental, health and safety hazards in transport workshops have been established.	31 December 2022

² Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

³ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

⁴ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁵ Date provided by UNMISS in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of fleet management in the United Nations Mission in the Republic of South Sudan

	their purpose; and annual inspections of all workshops are conducted with a system put in place that ensures corrective actions identified are implemented in a timely manner.				
6	UNMISS should, to improve the efficiency of its vehicle fleet, track vehicle maintenance notifications and take steps to ensure regular maintenance checks are done.	Important	O	Receipt of evidence of steps taken to ensure regular maintenance checks of vehicles.	31 December 2021

APPENDIX I

Management Response



Date: 17 September 2021

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

From: Mr. Qazi Ullah
OIC, Director of Mission Support
UNMISS

OIC-DMS

Subject: **Comments on the Draft Report on an audit of fleet management in the United Nations Mission in the Republic of South Sudan (Assignment No. AP2020-633-05)**

1. UNMISS acknowledges receipt of the Draft Report referenced OIOS-2021-01329 and dated 3 September 2021, on the Audit of Fleet Management.
2. Please find attached the Mission's comments on the recommendations as provided in Annex I.
3. Thank you for your consideration and support.

cc: Mr. Nicholas Haysom, Special Representative of the Secretary-General, UNMISS
Ms. Maria Costa, Director Mission Support, UNMISS
Mr. Ashraf Ouf, Chief Transport Section, UNMISS
Ms. Elizabeth Gregory, Audit Focal Point, UNMISS
Ms. Fatoumata Ndiaye, Under-Secretary-General for Internal Oversight Services

Management Response

Audit of fleet management in the United Nations Mission in the Republic of South Sudan

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNMISS should ensure that contractors have adequate insurance coverage in place prior to loaning them United Nations vehicles for use by their staff.	Important	Yes	Chief, Field Technology Section and Chief, Aviation Section	28 February 2022	<p>Protection against damage or loss of UN vehicles used by contractors' employees is already integrated in all UNMISS agreements with its Contractors. There is a standard clause in the UNGCC for the Provision of Services that UNMISS is obligated to abide by, and which is an integral annex for all UNMISS/UN contracts. Paragraph 6 of the UNGCC requires contractors to take liability insurance to cover situations of loss/damage, which ought to be in place prior to the commencement of performing and during the whole period of the contract. UNMISS adheres to this provision, and a copy of the relevant excerpts from the contracts mentioned in the audit report have been attached for consideration by the auditors.</p> <p>The Mission however acknowledges the intent of the recommendation to extend beyond inclusion of such contractual clauses and will put in place a mechanism to ensure contractors provide attestation of their insurance coverage and commitment to renewal of coverage upon its expiry in order to satisfy the recommendation.</p> <p>While this recommendation is accepted, the Mission is proposing to change its formulation as follows: <i>UNMISS should ensure that contractors have adequate insurance coverage in place prior to allowing the use of United Nations vehicles by their staff.</i> This is because the</p>

⁶ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

⁷ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

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						vehicles are actually issued to UNMISS staff, and not loaned to contractors.
2	UNMISS should improve its inventory management practices by: (a) more rigorously tracking historical consumption patterns and thus establishing optimum stock and replenishment levels; and (b) identifying obsolete and slow-moving spare parts for their possible disposal or redeployment where appropriate.	Important	Yes	Chief, Asset Management Unit - PIMS	30 April 2022	<p>UNMISS acknowledges the limitations of predominantly manual analysis of historical consumption and will adopt new procedures as part of deployment of the enterprise Supply Chain Planning Tool (SCPT). The official project kick-off was on 15 March 2021 and is currently at the stage of operationalization and formulation of Gross, Net and Source Plan for 14 selected categories. Full deployment is expected from October 2021 with the first Acquisition Plan for 2022-23 produced in the solution by 30 April 2022.</p> <p>Once this tool is fully implemented, all historical consumption will be tracked, and optimum stock levels together with replenishment levels will be established. SCM, PIMS will continue to generate inventory UMOJA ECC and Business Intelligence reports on a quarterly, and when required, monthly basis. The reports include tracking of historical consumption with time series, stock turnover, days of coverage/days of supplies, actual stock levels, slow moving and items without movement, all which are used for inventory optimization, and identifying obsolete and surplus stock (see attachment).</p> <p>(b) UNMISS has continued to identify slow moving parts on a monthly basis, identifying obsolete stock once vehicle models are phased out and subsequently offered these spare parts to other missions. In instances where no mission is interested, such spare parts have been written off.</p> <p>Considering the long lead time (up to 1 year) of resupply, the Mission has taken the approach that spare parts for vehicles still in use in the fleet are not disposed of for as long as UNMISS still operates the specific vehicles that require these spare parts. With the introduction of new</p>

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						SCPT functionality, the Mission will conduct analysis on its requirements and will update its approach as appropriate to meet operational needs.
3	UNMISS should improve procedures to ensure that only individuals with valid UNMISS permits drive the mission's vehicles and check-out procedures for contractor staff include sign-off by the Transport Section.	Important	Yes	Chief, Transport Section, Force Provost Marshall and Chief Security Officer	31 December 2021	UNMISS will engage the Security Section, Force Provost Marshall and Military Police to carry out random checks on validity of driver permits and enforce the application of sanctions issued on the same. Stringent measures including withdrawal of driving privileges are in place for those who continue to drive with expired permits. Section Chiefs will be made responsible for the check-out of contractor staff to ensure that driver permits are returned to Transport Section; otherwise, the replacement contractor will not be issued with a driver permit unless exceptional approval is granted from the DMS to meet operational exigency.
4	UNMISS should implement stricter and more effective measures to enforce sanctions for vehicle utilization violations through appropriate coordination between the relevant mission components such as the Transport Section, the Security Section and UNMISS military police.	Important	Yes	Chief, Transport Section, Force Provost Marshall and Chief Security Officer	31 December 2021	UNMISS will engage the Security Section, Force Provost Marshall and Military Police to enforce the application of sanctions issued to violators. This measure will be presented for approval at the next Road Safety Committee Meeting.
5	UNMISS should implement measures to mitigate environmental, health and safety risks by ensuring: used spare parts and oil products are properly disposed of; workshop structures are	Important	Yes	Chief, Engineering Section, Chief, Environment and OSH Unit, and	31 December 2022	UNMISS has a Corrective and Preventive Action system which documents identified risks and tracks the implementation of mitigating recommendations related to Occupational Safety and Health (OSH) and Environmental issues. OSH and Environmental inspections on the issues identified in the detailed audit results will be carried out at all field offices during the upcoming budget cycle.

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	adequate for their purpose; and annual inspections of all workshops are conducted with a system put in place that ensures corrective actions identified are implemented in a timely manner.			Chief, Fire Unit		<p>Engineering Section has finalized the issues in Rumbek and is now in the process of resolving the issues in Malakal. Engineering will provide a full report on progress.</p> <p>The Fire Unit/Fire Safety Focal Points will visit the TPT facilities and inspect all fire extinguishers and all defective units will be replaced.</p>
6	UNMISS should, to improve the efficiency of its vehicle fleet, track vehicle maintenance notifications and take steps to ensure regular maintenance checks are done.	Important	Yes	Chief, Transport Section and Chief, Operations and Solutions Unit / FTS	31 December 2021	<p>UNMISS has three different measures already in place to ensure that regular maintenance checks are done:</p> <ul style="list-style-type: none"> - Sanction system for violators is in place - Broadcasts are sent periodically to remind the staff - Carlog devices in all vehicles are set to alert the operator whenever maintenance is due <p>To enhance measures taken to improve vehicle maintenance, UNMISS Carlog unit will configure an automatic email notification to drivers who drive vehicles that are overdue for maintenance.</p>