



INTERNAL AUDIT DIVISION

REPORT 2021/025

Audit of closure and handover of team sites in the African Union-United Nations Operation in Darfur

Procedures were in place for the handover of team sites, but there was a need to enhance due diligence in identification of civilian end users for closed sites

21 June 2021

Assignment No. AP2020-634-05

Audit of closure and handover of team sites in the African Union-United Nations Operation in Darfur

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the closure and handover of team sites in the African Union-United Nations Hybrid Operation in Darfur (UNAMID). The objective of the audit was to assess the adequacy and effectiveness of the processes for the closure and handover of team sites. The audit covered the period from 1 January to 31 March 2021, during which six team sites in Menawashi, Saraf Umra, Kutum, Khor Abeche, Nyala II, and Kalma were closed and handed over. The audit covered the team sites closure process, which included termination of lease agreements, and the handover and recovery of assets. Environmental clean-up of team sites was covered in a separate audit.

Procedures were in place for the handover of team sites, including the cost-benefit analyses to determine which assets were to be gifted on site or retrieved. However, the Mission needed to enhance due diligence in identification of civilian end-users to ensure that closed team sites are for exclusive civilian use and for the benefit of the people of Darfur.

OIOS made one recommendation for UNAMID to ensure that civilian end-users are systematically identified prior to handover of team sites and arrangements are made with the United Nations Integrated Transition Assistance Mission in Sudan and the United Nations country team that those sites and assets handed over are used for the benefit of the people of Darfur. UNAMID accepted the recommendation and has initiated action to implement it.

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Audit of closure and handover of team sites in the African Union-United Nations Operation in Darfur

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the closure and handover of team sites in the African Union-United Nations Hybrid Operation in Darfur (UNAMID).

2. By its resolution 2559 of 22 December 2020, the Security Council decided to terminate the mandate of UNAMID as of 31 December 2020 and authorized commencement of team sites closure and handover and to complete the withdrawal of all uniformed and civilian personnel by 30 June 2021 followed by the Mission's liquidation on 1 July 2021.

3. The closure and handover of team sites is governed by the United Nations Financial Regulations and Rules, the Property Management Manual for Field Missions, the Liquidation Manual and UNAMID standard operating procedures on closure of camps and team sites, handover of premises, facilities and lands and disposal of assets dated 11 November 2020. The framework agreement between the United Nations and the Government of Sudan (GoS) governs the handover of team sites and facilities, and it includes a commitment by GoS that donated/gifted assets would be for the exclusive use of civilians.

4. UNAMID was aiming to close all of its team sites by the end of the drawdown period, with the exception of the logistics base in El Fasher which would be the last to be closed, and this would be done during the liquidation period. Consultations are also currently on-going on the closure of the offices in Port Sudan and Khartoum and whether continued presence will be maintained by the follow-on Mission, the United Nations Integrated Transition Assistance Mission in Sudan (UNITAMS). As of end of May 2021, UNAMID had already closed all 14 team sites, as shown in Table 1. The closure process included the decommissioning of facilities, disassembling of infrastructure where feasible, environmental clean-up, shipping of cargo, check-out of uniformed and civilian personnel and finally the handover of premises.

Table 1: Team sites closure dates

	Team site	Closure date
1	Saraf Umrah	21/01/2021
2	Kutum	03/02/2021
3	Khor Abeche	15/02/2021
4	Menawashie	25/02/2021
5	Nyala II	01/03/2021
6	Kalma	18/03/2021
7	Sortoni	08/04/2021
8	Golo	11/04/2021
9	Nertiti	22/04/2021
10	Kass	05/05/2021
11	Tawilla	11/05/2021
12	Zalingei	13/05/2021
13	Kabkabiya	20/05/2021
14	Shangil Tobaya	25/05/2021

5. UNAMID established a Drawdown Working Group (DDWG) to oversee the closure and handover of team sites. It was co-chaired by the Chief, Governance and Community Stabilization Section and the Transition Coordinator of the Mission Support Division (MSD). Members of the Group comprise those heads of sections of MSD that are responsible for coordinating with stakeholders involved in the closure and handover of team sites. DDWG is responsible for reporting on the progress of their activities on a regular basis to Mission leadership.

6. Comments provided by UNAMID are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the adequacy and effectiveness of the processes for the closure and handover of team sites.

8. OIOS conducted this audit from March to May 2021. The audit covered the period from 1 January to 31 March 2021, during which six team sites in Menawashi, Saraf Umra, Kutum, Khor Abeche, Nyala II, and Kalma were closed and handed over. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in the team sites closure process, which included termination of lease agreements, and handover and recovery of assets. Environmental clean-up of team sites was covered in a separate audit.

9. The audit methodology included: (i) interviews with key personnel; (ii) analytical review of data extracted from Umoja; and (iii) review of relevant documentation related to team site closure.

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

III. AUDIT RESULTS

A. Closure of team sites

Procedures were in place for termination of lease agreements and handover of team sites

11. UNAMID is required to provide advance notice of lease termination to landowners and promptly settle all outstanding payments.

12. For the six closed team sites, there were 17 lease agreements: 12 with the Ministry of Urban Planning for the north or south Darfur states; 4 with private landowners, and 1 lease with a private individual for the lease of a generator house in Nyala. For the 12 lease agreements with the Ministry of Urban Planning, the land was initially provided to UNAMID free of charge in accordance with the Status of Force Agreement, and the Mission was not required to issue a termination notice as the process was covered under the framework agreement mentioned in paragraph 3.

13. For the four leases with private landowners and the lease with a private individual for the generator house, UNAMID provided adequate notice on the lease termination and settled all outstanding payments. Although the initial lease agreement with the four private landowners was between UNAMID and the landowner, in three cases, the land was handed over to GoS in exchange for monetary compensation paid to the private landowners. In these cases, UNAMID obtained a letter from the landowner consenting to the handover of the land to GoS for subsequent civilian use. This letter also committed the landowner to settle any issues that may arise with respect to land use after its handover to GoS, including but not limited to

compensation and/or provision of compensatory lands and fully exonerating UNAMID from future claims or liabilities.

14. One landowner refused to sign the letter of consent because of the expectation of poor compensation from GoS. In this case, the land along with the associated structures and immovable assets with an acquisition cost of \$307,125 and net book value (NBV) of \$13,820 were handed back to the landowner. The letter of consent and handover documents were signed by UNAMID and the landlord, and clearly stated that UNAMID was exonerated from future claims or liabilities.

15. OIOS concluded that UNAMID had effectively ensured that lease agreements were terminated in conformity with established procedures.

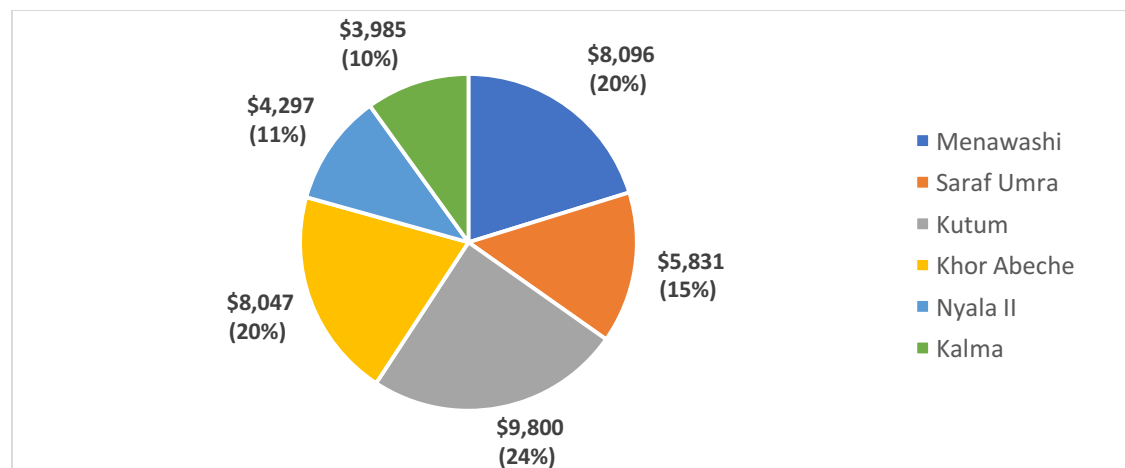
B. Handover and recovery of assets

While normal approvals from review boards were not always obtained, alternative procedures were implemented prior to the handover of assets

16. Prior to handing over assets to GoS, the Mission was required to conduct comprehensive cost-benefit analyses to determine assets to be gifted or recovered. Also, assets handed over during team sites closure are required to be accounted for and properly supported by approvals from the Local/Headquarters Property Survey Board (L/HPSB)¹.

17. As of 1 January 2021, the acquisition cost of assets held by UNAMID at the six team sites reviewed was \$40 million (NBV \$7.4 million). Of these, assets with an acquisition cost of \$31 million (NBV of \$5.5 million) were handed over to GoS, while the remaining assets were transferred to the El Fasher logistics base for disposal by other methods.

Figure 1
Acquisition cost of assets at team sites as of 1 January 2021
(Thousands of United States dollars and percentage)



¹ Review and recommendation of LPSB is required for assets with NBV between \$3,000 and \$25,000, and written advice of HPSB is required to dispose of items when the NBV exceeds \$25,000.

18. OIOS reviewed handover documentation related to all assets handed over at the six team sites and noted that:

- HPSB approval was not sought for 33 buildings and infrastructures, including a fuel distribution system, barrier security ditch, sewage oxidation pond, storage and utility buildings, and telecommunication network IT tower, with a total acquisition cost of \$12 million (NBV \$5 million).
- HPSB approval was not sought for a generator in good condition with an acquisition cost of \$64,769 (NBV \$29,686). It was among other assets recommended by UNAMID to be disposed of by gifting to GoS. UNAMID decided that it was surplus to operational requirements and because its retrieval cost (transport to the El Fasher logistics base) was estimated at \$12,702.
- LPSB approval was not sought for solar power panel equipment and communication shelters with a total acquisition cost of \$175,318 (NBV of \$38,208) that were gifted to GoS.
- Two generators with a total acquisition cost of \$283,454 (NBV of \$63,350) were destroyed without convening the Board of Survey to verify and confirm the assets were damaged beyond repair.

19. For the six team sites reviewed, to expediate the handover of assets, the Mission established joint inspection teams comprising representatives of UNAMID, GoS and the local community to confirm the quantity and condition of assets on-site. UNAMID also conducted cost-benefit analyses to assess which assets were to be gifted as part of the handover of the site or retrieved for future use. The analyses considered: (a) the NBV of assets; (b) costs related to the transport of the asset to the El Fasher logistics base, including any necessary demolition; and (c) removal costs from the team site for fixed structures, such as containerized ablution units, sewage submersible pumps, prefab offices and accommodation units and waste water treatment plants.

20. Although the Mission did not follow normal procedures and attain the necessary review and approval by L/HPSB and Board of Survey, considering that the Mission is going into liquidation as of 1 July 2021, and the assets had already been disposed of and were adequately accounted for in the handover documents, no recommendation was made.

Assets received during the establishment of the Mission were never properly accounted for

21. From the documentation reviewed, OIOS noted that UNAMID handed over to GoS various assets such as boreholes, elevated steel tanks, septic tanks, fuel storage hard tanks, and containerized and prefab buildings, which were not barcoded and recorded in Umoja. These assets had been transferred to UNAMID during the Mission's inception in 2007/08 from other peacekeeping missions. In a previous audit of asset management (report 2018/139 dated 18 December 2018), OIOS had identified that many of these assets were never put into service, and some were still in sealed containers. Thus, UNAMID had not adequately addressed OIOS recommendation to properly account for all of its assets and to dispose of excess and obsolete items. For these assets, UNAMID explained that the decision was made to only record in Umoja high value assets, such as generators, rub halls, fuel trucks and trailers. Those assets considered as either fully depreciated, obsolete, or not serviceable were not recorded in Umoja.

22. Considering that the Mission is liquidating, and that all assets gifted to GoS were identified in the handover documents, OIOS did not make a recommendation.

Need to enhance due diligence in identification of civilian end users for closed team sites

23. UNAMID is required to work collaboratively with GoS and local state authorities in Darfur to identify civilian end-users with demonstrable capacity, necessary funding, governmental and community support for sustainable use of team sites and assets handed over.

24. DDWG, in collaboration with GoS and local state authorities, identified the list of civilian end-users for the six closed team sites, as shown in Table 2.

Table 2

List of team sites handed over to respective civilian end users

Team sites	Civilian end users
Kutum	College of engineering, lands and mine sciences, El Fasher University. Centre for vocational training of women and youths
Kalma	Health facility under the national health insurance fund
Nyala II	Multipurpose hospital, training institute for paramedics and isolation centre for Covid-19 patients
Menawashi	School of community development, Nyala university, centre for vocational training for women and youth
Khor Abeche	Vocational training centre for Nitega locality
Saraf Umra	Vocational training and women handworks qualification centre

25. OIOS review of documents supporting the handover of the six team sites, including the list of all assets to be handed over, did not find any information that the selected civilian end-users met the established criteria. For example, there was no documentation on intended future use of the sites and on availability of necessary funding to demonstrate sustainable use of the equipment and infrastructures. Timelines were not established as to when the equipment and structures, initially handed over to GoS, would be transferred to civilian end-users. Moreover, UNAMID had not conducted any inspections of closed team sites to verify and monitor their exclusive civilian use, and there was no plan for conducting such inspections. UNAMID informed that it did not have the capacity to carry out such activities due to time constraints and the high priority placed on closing all team sites by end of 30 June 2021, and would refer such inspections to UNITAMS or to members of the United Nations country team (UNCT).

26. Considering recent looting of team sites such as El Geneina, Nyala, El Daein and Saraf Umra after their handover to GoS or temporary occupation by GoS security forces without any timeline for departure, lack of timely and diligent identification of civilian end-users at the time of handover, increases the risk that team sites may not be used for the ultimate benefit of the people of Darfur.

(1) UNAMID should ensure that civilian end-users are systematically identified prior to handover of team sites and arrangements are made with the United Nations Integrated Transition Assistance Mission in Sudan and the United Nations country team that assets handed over are used for the benefit of the people of Darfur.

UNAMID accepted the recommendation 1 and stated that the Mission finalized the handover of team sites on 25 May 2021. The focus was now on the closure of the El Fasher logistics base as the only site to be handed over during liquidation. The Mission will continue to observe the requirements of the UNAMID/GoS framework agreement on handover of team sites in executing the closure and handover of the El Fasher logistics base. UNAMID approached GoS joint taskforce and the local authorities of north and south Darfur with a proposal to conduct joint follow-on inspections in closed sites to validate the state of facilities and progress of implementation of the agreed civilian end-users. The response has been slow, and the Mission has only managed to conduct one joint visit of Shangil

Tobaya team site on 12 June 2021. In the remaining drawdown timeline, it is unlikely that the Mission can undertake additional visits. In line with the framework agreement with GoS, UNAMID will prepare a report on the closure and handover of team sites in the drawdown period. UNAMID plans on sharing this report with UNITAMS to aid in future follow ups. Recommendation 1 remains open pending receipt of evidence of follow-up arrangements made with UNITAMS and members of UNCT related to the civilian use of team sites handed over.

IV. ACKNOWLEDGEMENT

27. OIOS wishes to express its appreciation to the management and staff of UNAMID 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 closure and handover of team sites in the African Union-United Nations Operation in Darfur

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	UNAMID should ensure that civilian end users are systematically identified prior to handover of team sites and arrangements are made with the United Nations Integrated Transition Assistance Mission in Sudan and the United Nations country team that assets handed over are used for the benefit of the people of Darfur.	Important	O	Receipt of evidence of follow-up arrangements made with UNITAMS and members of UNCT related to the civilian use of team sites handed over	30 June 2021

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 UNAMID in response to recommendations.

APPENDIX I

Management Response

AFRICAN UNION

الإتحاد الأفريقي



UNITED NATIONS


الأمم المتحدة

African Union – United Nations Hybrid Operation in Darfur

Office of the Officer-in-Charge, Operations, UNAMID

16 June 2021

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

From: M'Baye Babacar 
Assistant Secretary-General
UNAMID

Subject: **Draft report on an audit of closure and handover of team sites in the African Union-United Nations Operation in Darfur (Assignment No. AP2021-634-05)**

1. With reference to your memorandum dated 2 June 2021, on the captioned subject, please find attached UNAMID response (Appendix I) to the draft report for your consideration.

Thank you.

cc: Mr. Houston Ferguson, UNAMID
Mr. Khalid Younis, UNAMID
Mr. Asim Warraich, UNAMID
Mr. Kiril Serafimov, UNAMID
Mr. Leslie Ashie, UNAMID,
Mr. Barrington Haynes, UNAMID
Mr. Oluwadare Taylor-Pearce, UNAMID
Ms. Florence Ndungu, UNAMID
Mr. Samuel Kiiru, UNAMID

Management Response

Audit of closure and handover of team sites in the African Union-United Nations Operation in Darfur

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNAMID should ensure that civilian end users are systematically identified prior to handover of team sites and arrangements are made with the United Nations Integrated Transition Assistance Mission in Sudan and the United Nations country team that assets handed over are used for the benefit of the people of Darfur.	Important	Yes	Transition Coordinator	30 June 2021	<p>The Mission finalized the hand over of team sites during drawdown on 25 May 2021. The focus now shifts to the closure of the El Fasher Logistics base as the only site to be handed over during liquidation. The Mission will continue to observe the requirements of the UNAMID/GOS framework agreement on hand over of team sites in executing the closure and handover of the El Fasher log base.</p> <p>As indicated in our previous comments, UNAMID approached the GOS Joint Taskforce and the Walis of North and South Darfur with a proposal to conduct joint follow-on inspections in closed sites to validate the state of the facilities and progress of the implementation of the agreed civilian end-uses. The response has been slow, and the Mission has only managed to conduct one joint visit of Shangil Tobaya on 12 June 2021. Represented in the joint visit was UNAMID (represented by the Mission Chief of Staff), UNITAMS (represented by the Head of Mission) and GoS (represented by the Wali North Darfur). Also present in the visit was Rick Martin (Director in UNHQ DOS). In the remaining drawdown timeline, it is unlikely that the Mission can undertake any additional visits.</p> <p>Finally, in line with the framework agreement with GoS, UNAMID will prepare a report on the closure and handover of team sites in the drawdown period. UNAMID plans on sharing this report with UNITAMS to aid in future follow ups.</p>

¹ 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.

² 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.