



## INTERNAL AUDIT DIVISION

### REPORT 2014/098

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#### Audit of the United Nations Mission for the Referendum in Western Sahara

Overall results relating to effective management of operations by the United Nations Mission for the Referendum in Western Sahara were initially assessed as partially satisfactory. Implementation of seven important recommendations remains in progress

FINAL OVERALL RATING: PARTIALLY  
SATISFACTORY

29 September 2014  
Assignment No. AP2013/628/01

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# AUDIT REPORT

## Audit of the United Nations Mission for the Referendum in Western Sahara

### I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Mission for the Referendum in Western Sahara (MINURSO).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. MINURSO was established by Security Council resolution 690 of 29 April 1991 based on the settlement plan accepted on 30 August 1988 by Morocco and the Frente Popular para la Liberación de Saguía el-Hamra y de Río de Oro (Frente Polisario). The plan provided for a referendum to allow the people of Western Sahara to choose between independence and integration with Morocco. MINURSO was mandated to: (i) monitor and ensure compliance with the ceasefire agreement; (ii) facilitate political settlement on the status of Western Sahara; (iii) support confidence-building measures arranged by the Office of the United Nations High Commissioner for Refugees; and (iv) implement mine detection and clearance operations. As of March 2014, MINURSO had 225 military personnel and 6 police officers to implement its mandate.
4. For the financial year 2013/14, MINURSO had 275 posts, including 99 international staff and 176 national staff. The Mission also had 16 United Nations volunteers and one national general temporary assistance post. The approved budgets for MINURSO for the financial years 2012/13 and 2013/14 were \$60.8 million and \$60.5 million respectively.
5. Comments provided by MINURSO are incorporated in italics.

### II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of MINURSO governance, risk management and control processes in providing reasonable assurance regarding the **effective management of operations by MINURSO**.
7. The audit was included in OIOS 2014 risk-based work plan because of the operational and financial risks related to the implementation of the mandate of MINURSO.
8. The key controls tested for the audit were: (a) risk management and planning; and (b) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:
  - (a) **Risk management and planning** - controls that provide reasonable assurance that risks and opportunities relating to the implementation of MINURSO's mandate are identified, and assessed, and that action is taken to mitigate or anticipate risks.
  - (b) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide the operations of the Mission in budget and finance, procurement, property management and inventory control, travel, information technology, safety

and security functions; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.

9. The key controls were assessed for the control objectives shown in Table 1.

10. OIOS conducted this audit in February and March 2014. The audit covered the period from 1 January 2013 to 31 March 2014. The audit covered high/moderate risk substantive and administrative support activities of the Mission including planning and monitoring of substantive operations, human resources management, air and ground transportation, asset management, procurement of required goods and services, staff security, fuel and rations management.

11. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

### III. AUDIT RESULTS

12. The MINURSO governance, risk management and control processes examined were initially assessed as **partially satisfactory**<sup>1</sup> in providing reasonable assurance regarding the **effective management of operations by MINURSO**. OIOS made seven recommendations to address the issues identified. MINURSO had adequately planned and implemented activities, mainly aerial and ground patrols related to its mandate. MINURSO had prepared a security plan, recruited all international staff from the roster in a timely manner, and conducted procurement activities in accordance with the Procurement Manual. However, MINURSO needed to strengthen internal controls in areas of: (a) air operations; (b) recording and processing of assets for write-off and disposal; (c) ground transport operations; (d) staff security; and (e) recruitment of local staff.

13. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of seven important recommendations remain in progress.

**Table 1: Assessment of key controls**

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of operations by MINURSO	(a) Risk management and planning	Satisfactory	Satisfactory	Satisfactory	Satisfactory
	(b) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
<b>FINAL OVERALL RATING: PARTIALLY SATISFACTORY</b>					

<sup>1</sup> A rating of “**partially satisfactory**” means that important (but not critical or pervasive) deficiencies exist in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## A. Risk management and planning

### Activities had been adequately planned and implemented toward the achievement of mandates

14. MINURSO was mandated to: (i) monitor and ensure compliance with the ceasefire agreement between Morocco and Frente Polisario; (ii) facilitate political settlement on the status of Western Sahara; (iii) support confidence-building measures arranged by the United Nations High Commissioner for Refugees; and (iv) implement mine detection and clearance operations.

15. Interviews with officials of MINURSO and review of documents indicated that MINURSO was implementing appropriate activities towards the achievement of its mandate. In particular, MINURSO had conducted activities to ensure compliance of concerned parties with the ceasefire agreement for Western Sahara and facilitated political settlement on the status of Western Sahara. MINURSO, through the Mine Action Coordination Centre, continued to reduce the threat and impact of landmines and explosive remnants of war and to implement confidence-building measures in collaboration with the United Nations High Commissioner for Refugees to facilitate contact and communication between Saharan refugees in camps near Tindouf and their families in the Territory.

16. OIOS concluded that MINURSO adequately planned and implemented appropriate activities toward the implementation of their mandates.

## B. Regulatory framework

### Flight crew credentials were not vetted before they assumed duties

17. MINURSO was required to implement procedures to ensure contracted air carriers provided information to MINURSO of changes in flight crew at least 10 days prior to the crew's rotation along with appropriate documentation showing that the members of the new crew met the requirements specified in the respective contracts.

18. MINURSO did not vet crews' credentials prior to them assuming their duties, as this documentation was not available for three rotations of pilots in 2013. Air carriers subsequently provided documentation to MINURSO. The lack of documentation resulted as Mission Support had not implemented procedures to ensure that air carriers provided the required flight crew qualifications and experience prior to crew rotation. This increased safety risks as MINURSO did not obtain sufficient evidence that the contractor was providing qualified personnel as agreed to in the contract.

**(1) MINURSO should implement procedures to ensure that air carriers provide the required documentation regarding flight crew qualifications and experience prior to assuming duties.**

*MINURSO accepted recommendation 1 and stated that it had reiterated to air operators the need to comply with respective provisions of aviation contracts and would continue monitoring timely submission of required documentation. Recommendation 1 remains open pending receipt of evidence that the Mission has implemented procedures to ensure air carriers provide required crew documentation prior to assuming duties.*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Inadequate controls over cannibalizing spare parts from vehicles

21. The DFS Surface Transport Manual required missions to implement procedures for safeguarding, handling and costing cannibalized vehicles and related spare parts. These procedures required the recording of spare parts in Galileo.

22. MINURSO was taking spare parts from cannibalized vehicles for use in other vehicles. However, MINURSO had not implemented proper procedures to record these cannibalized parts in Galileo. The lack of adequate controls over cannibalized vehicles and related parts resulted as MINURSO was not diligent in ensuring that staff of the Transport Section consistently complied with requirements of DFS Surface Transport Manual. In April/May 2012 MINURSO identified the need for improved procedures over the handling of cannibalized vehicles and related parts. The Security Section also raised concerns due to increased risk of theft.

**(3) MINURSO should implement procedures to ensure that spare parts from cannibalized vehicles are systematically recorded in Galileo.**

*MINURSO accepted recommendation 3 and stated that it would make sure that procedures were in place in accordance with the DFS Surface Transport Manual. Recommendation 3 remains open pending receipt of evidence that procedures are in place to properly account for spare parts from cannibalized vehicles.*

There were excessive violations of traffic regulations

23. The DFS Surface Transport Manual required MINURSO to develop, coordinate and promote mission safety awareness programmes and safe driving campaigns including a minimum of two safety awareness campaigns per year.

24. During the audit period, there were 1,734 speed violations by military personnel and 76 by civilian staff. Thirteen per cent of violations by military personnel and three per cent of violations by civilian personnel were related to personnel who had five or more traffic offences each. For military staff, the top five speed violators committed between 16 and 26 offences. MINURSO issued an administrative circular in April 2011, prescribing sanctions such as suspension of driving permits to be taken in event of violation. However, only two military personnel and 10 civilian staff surrendered their driving permits as required by the administrative measures. This was due to the lack of strict enforcement of the sanctions due to the negative impact such enforcement would have on the implementation of ground patrols and other mandated tasks. Consequently, there was a need for a more effective and enforceable sanction regime.

**(4) MINURSO should review the existing guidelines on the administration of the surface transport policy with a view to developing effective and enforceable measures for traffic rules violations.**

*MINURSO accepted recommendation 4 and stated that it was revising existing policies and driving safety regulations and comprehensive standard operating procedures on vehicle operation had been drafted, and were under final review. Recommendation 4 remains open pending receipt of the revised policies and driving safety regulation as well as standard operating procedures on vehicle operation.*

The Mission did not maintain up-to-date staff contact information and did not designate an evacuation location for its staff

25. The United Nations Field Security Handbook required MINURSO to maintain up-to-date and accurate contact information of all staff and their eligible dependents and designate evacuation sites and related routes for use in the event of emergencies.

26. MINURSO did not have an updated staff list as the one provided to OIOS did not include some staff and dependents and included staff that had separated from the Mission. Additionally, while MINURSO identified several possible evacuation sites, it had not made a decision on the specific sites and formalized arrangements such as access routes and drills for their use during an evacuation. Lack of correct contact details of staff and failure to identify an evacuation destination and route impacted on the ability of MINURSO to respond effectively in an emergency situation.

**(5) MINURSO should maintain accurate, up-to-date contact information of all staff and designate evacuation sites and related arrangements, such as access routes, and conduct drills in compliance with the Field Security Handbook.**

*MINURSO accepted recommendation 5 and stated that staff lists were updated and designated evacuation points and related access routes had been identified. It further stated that an evacuation drill in this regard was planned for December 2014. Recommendation 5 remains open pending receipt of updated staff lists and evidence of designation of evacuation sites and access routes.*

The composition and performance of interview panels needed to be strengthened

27. The administrative instruction on staff selection required applicants to be assessed against evaluation criteria such as competencies specified in the job opening. The instruction also required assessment panels to be comprised of at least three members, at least one being female.

28. Five of 10 recruitment cases reviewed showed that candidates were not evaluated against competencies specified in the related job opening. In some cases, the competencies specified in the job openings were replaced while in other cases candidates were evaluated against additional competencies. This resulted, as the MINURSO Human Resources did not implement adequate oversight, and staff involved in the interviews had not been provided adequate training. Failure to assess applicants against the evaluation criteria specified in the related job openings increased the risk of recruiting candidates that do not meet the requirements of the positions.

29. Regarding the composition of assessment panels, four recruitments of national staff during the audit period did not include a female on the interview panel, as the Chief of Mission Support had approved panelists based on the recommendations of hiring managers, without ensuring female representation. Lack of female representation on interview panels was contrary to the requirements of the staff rules and gave the perception that gender was not adequately considered in the interviewing process.

**(6) MINURSO should implement procedures to ensure that: (a) candidates are evaluated against criteria and competencies specified in relevant job openings and by ensuring that all interview panelists complete competency-based interviewing training; and (b) the composition of interview panels consistently comply with the relevant guidelines on staff selection.**

*MINURSO accepted recommendation 6 and stated that recruitment panels were meeting prior to interviews to properly prepare for the interview and to review the vacancy announcement. Also, competency-based interviewing workshops were conducted in March and June 2014. MINURSO further stated that selection of interview panels were complying with the guidelines on staff selection. Recommendation 6 remains open pending receipt of evidence that: (a) all eligible staff complete the competency-based interviewing training; and (b) female representation is included in interview panels.*

The Mission did not establish strategic and local fuel reserves

30. The DPKO/DFS Fuel Operations Manual on Contingency Planning required MINURSO to determine the fuel stocks to be held as strategic operational reserves to support up to 30 days of operations. MINURSO had not established strategic and operational reserves, as insufficient attention had been given to this. As a result, MINURSO had not adequately mitigated the risk of uninterrupted supply of fuel.

**(7) MINURSO should assess its fuel requirements and establish fuel reserves to ensure that critical operations are not disrupted during a crisis.**

*MINURSO accepted recommendation 7 and stated that 60,000 liters of fuel reserves would be installed at the logistics base and another three modular storage tanks of 16,000 liters each would be deployed to team sites in the 2014/15 financial year. Recommendation 7 remains open pending receipt of evidence that appropriate fuel reserves have been established.*

#### **IV. ACKNOWLEDGEMENT**

31. OIOS wishes to express its appreciation to the Management and staff of MINURSO for the assistance and cooperation extended to the auditors during this assignment.

*(Signed)* David Kanja  
Assistant Secretary-General for Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the United Nations Mission for the Referendum in Western Sahara

Recom. no.	Recommendation	Critical <sup>2</sup> / Important <sup>3</sup>	C/ O <sup>4</sup>	Actions needed to close recommendation	Implementation date <sup>5</sup>
1	MINURSO should implement procedures to ensure that air carriers provide the required documentation regarding flight crew qualifications and experience prior to assuming duties.	Important	O	Receipt of evidence that the Mission has implemented a procedure to ensure air carriers provide required crew documentation prior to assuming duties.	April 2014
3	MINURSO should implement procedures to ensure that spare parts from cannibalized vehicles are systematically recorded in Galileo.	Important	O	Receipt of evidence that procedures are in place to properly account for spare parts from cannibalized vehicles.	September 2014
4	MINURSO should review the existing guidelines on the administration of the surface transport policy with a view to developing effective and enforceable measures for traffic rules violations.	Important	O	Receipt of the revised policies and driving safety regulation as well as standard operating procedures on vehicle operation.	December 2014
5	MINURSO should maintain accurate, up-to-date contact information of all staff and designate evacuation sites and related arrangements such as access routes and conduct drills in compliance with the Field Security Handbook	Important	O	Receipt of updated staff lists and evidence of designation of evacuation sites and access routes.	September-October 2014

<sup>2</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>3</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>4</sup> C = closed, O = open

<sup>5</sup> Date provided by MINURSO in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the United Nations Mission for the Referendum in Western Sahara

Recom. no.	Recommendation	Critical <sup>2</sup> / Important <sup>3</sup>	C/ O <sup>4</sup>	Actions needed to close recommendation	Implementation date <sup>5</sup>
6	MINURSO should implement procedures to ensure that: (a) candidates are evaluated against criteria and competencies specified in relevant job openings by implementing adequate oversight of the process, and by ensuring that all interview panelists complete competency-based interviewing training; and (b) the composition of interview panels consistently comply with the relevant guidelines on staff selection	Important		Receipt of evidence that: (a) all eligible staff complete the competency-based interviewing training; and (b) female representation is included in interview panels.	September 2014
7	MINURSO should assess its fuel requirements and establish fuel reserves to ensure that critical operations are not disrupted during a crisis	Important	O	Receipt of evidence that appropriate fuel reserves have been established.	December 2014

# **APPENDIX I**

## **Management Response**

**UNITED NATIONS**  
United Nations Mission for the  
Referendum in  
Western Sahara



**NATIONS UNIES**  
Mission des Nations Unies pour  
l'organisation d'un référendum au  
Sahara occidental

**INTEROFFICE MEMORANDUM**

**CONFIDENTIAL**

Reference: CMS/0327/2014

Date: 17 September 2014

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

From:  Kim Bolduc  
Special Representative of the Secretary General and  
Head of Mission

Subject: **Comments and Action Plan regarding AP2013/628/01**

1. Reference is made to your Confidential Interoffice Memorandum IAD 14-00603 of 21 August 2014, regarding the "Draft report on an audit of the United Nations Mission for the Referendum in Western Sahara (AP2013/628/01).

2. Attached please find the requested information, a word version has already been forwarded to Ms. Irene GICHINGA.

3. Regards.

CC: SRSG, FC, SPA  
Mr. Seth ADZA, Chief, Audit Response and Boards of Inquiry, DFS  
Ms. Cynthia-Avena CASTILLO, Professional Practices Section, Internal Audit  
Division, OIOS

## Management Response

## Audit of the United Nations Mission for the Referendum in Western Sahara

Rec. no.	Recommendation	Critical <sup>6</sup> / Important <sup>7</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
1	MINURSO should implement procedures to ensure that air carriers provide the required documentation regarding flight crew qualifications and experience prior to assuming duties.	Important	Yes	<b>Chief Aviation Officer (CAVO)</b>	1 April 2014	MINURSO concurs with the recommendation. Aviation Section has reiterated to Air Operators importance of compliance with respective provisions of aviation contracts pertaining to crew qualification documentation and will continue monitoring its timely submission.
3	MINURSO should implement procedures to ensure that spare parts from cannibalized vehicles are systematically recorded in Galileo.	Important	Yes	<b>Officer-in- Charge (OIC) Surface Transport Section</b>	01 Sep 2014	MINURSO will ensure that the procedures in place are in accordance with the Property Management Manual 2006, para.6.36.3, and the DPKO/DFS/2013.06 Manual on Surface Transport Management in the Field, Page 16, para. 94.
4	MINURSO should review the existing guidelines on the administration of the surface transport policy with a view to developing effective and enforceable measures for violating traffic rules.	Important	Yes	<b>Chief of Mission Support (CMS)</b>	December 2014	Revision of existing policies and driving safety regulations is ongoing. A comprehensive SOP on vehicle operation has been drafted, and is currently under final review by the Mission

<sup>6</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>7</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## Management Response

## Audit of the United Nations Mission for the Referendum in Western Sahara

Rec. no.	Recommendation	Critical <sup>6</sup> / Important <sup>7</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
						administration.
5	MINURSO should maintain accurate, up-to-date contact information of all staff and designate evacuation sites and related arrangements such as access routes and conduct drills in compliance with the Field Security Handbook.	Important	Yes	<b>Chief Security Officer (CSO)</b>	December 2014	MINURSO concurs with the recommendation. Up to date contact information list for all staff is maintained through a data base. Information related to designated evacuations sites and related arrangements such as access routes are in the 2014 Country Security Plan which was approved on 11 July 2014. Evacuation drill for Tindouf was conducted in May 2014. Team Sites evacuations are conducted on monthly basis. The planned evacuation drill for Laayoune is in December 2014
6	MINURSO should implement procedures to ensure that: (a) candidates are evaluated against criteria and competencies specified in relevant job openings by implementing adequate oversight of the process, and by ensuring that all interview panelists complete competency-based interviewing training; and (b) the composition of interview panels consistently comply with the relevant guidelines on staff selection.	Important	Yes	<b>Officer-in-Charge (OIC) Human Resources</b>	01 Sep 2014	Recruitment procedures are observed to ensure candidates are evaluated against the criteria and competencies stated in the job opening. In addition, Panel meeting(s) is held prior to interview date to prepare the Panel members on the interview process and review the vacancy announcement.  Competency-based interviewing (CBI) workshop was conducted last 20-21 March 2014 participated by nine (9) staff members from HRMS, O/CMS, CDU and O/CITCS. Additional CBI workshops was conducted in June 9-10 & June 18-19/ 2014, participated by 17 civilian staff (3 were female).

## Management Response

## Audit of the United Nations Mission for the Referendum in Western Sahara

Rec. no.	Recommendation	Critical <sup>6</sup> / Important <sup>7</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
7	MINURSO should assess its fuel requirements and establish fuel reserves to ensure that critical operations are not disrupted during a crisis.	Important	Yes	<b>Chief Engineering Officer</b>	MINURSO Logistic Base (MLB) by Dec 2014.  Awsard and Smara FY 14/15.	Local fuel reserves (60,000 liters capacity) will be installed by Engineering at MLB fuel farm by Dec 2014. Another three (3) modular storage tanks of 16,000 liters each will be deployed to team sites Awsard (1x 16,000 liters) and Smara (2 x 16,000 liters), as local fuel reserves by Jun 2015.