



## INTERNAL AUDIT DIVISION

# REPORT 2014/122

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### Audit of fleet management in the United Nations Stabilization Mission in Haiti

Overall results relating to the effective management of the vehicle fleet in the United Nations Stabilization Mission in Haiti were initially assessed as unsatisfactory. Implementation of one critical and five important recommendations remains in progress

**FINAL OVERALL RATING: UNSATISFACTORY**

8 December 2014

Assignment No. AP2014/683/01

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# AUDIT REPORT

## Audit of fleet management in the United Nations Stabilization Mission in Haiti

### I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of fleet management in the United Nations Stabilization Mission in Haiti (MINUSTAH).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure: (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. The MINUSTAH Transport Section was responsible for the overall management, maintenance and operation of the Mission's vehicle fleet. The Transport Section was headed by a Chief Transport Officer at the P-4 level, who reported to the Chief of Integrated Support Services. The Section had 191 approved posts comprising 19 international staff, 26 United Nations volunteers and 146 national staff. The fleet of light and heavy vehicles totaled 1,223 as at 31 March 2014. The budgets for the Transport Section for fiscal years 2011/12 and 2012/13 were \$4.4 million and \$5.3 million respectively.
4. Comments provided by MINUSTAH are incorporated in italics.

### II. OBJECTIVE AND SCOPE

5. The audit was conducted to assess the adequacy and effectiveness of MINUSTAH governance, risk management and control processes in providing reasonable assurance regarding the **effective management of the vehicle fleet in the Mission**.
6. The audit was included in the 2014 risk-based work plan of OIOS because of the financial and operational risks relating to fleet management.
7. The key controls tested for the audit were: (a) oversight; and (b) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:
  - (a) **Oversight** - controls that provide reasonable assurance that the activities of vehicle fleet management are adequately supervised and evaluated and that there is adequate oversight of implemented procedures to ensure effective and efficient operations.
  - (b) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide the management and maintenance of vehicle fleet; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.
8. The key controls were assessed for the control objectives shown in Table 1.
9. OIOS conducted the audit from February to May 2014. The audit covered the period from 1 July 2011 to 31 March 2014. The audit was conducted at the Transport Section Headquarters in Port-au-Prince and field visits were made to four regional transport offices and the Santo Domingo Support Office.

10. 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 and analytical reviews, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

### III. AUDIT RESULTS

11. The MINUSTAH governance, risk management and control processes examined were initially assessed as **unsatisfactory**<sup>1</sup> in providing reasonable assurance regarding the **effective management of the vehicle fleet in the Mission**. OIOS made seven recommendations to address the issues identified. MINUSTAH had a functional Vehicle Establishment Committee, had sufficient equipment for repairing vehicles, provided adequate training to mechanics and dealt with vehicle related waste in an environmentally friendly manner. However, MINUSTAH needed to: (a) withdraw excess vehicles held by different sections and redeploy or dispose them; (b) take steps to improve road safety and reduce the high number of accidents, including by taking timely actions to ensure compliance with regulations and address repeated offences; (c) raise the driver testing standards; (d) strengthen controls over the repairs and maintenance of vehicles; and (e) strengthen the management, control and safeguarding of spare parts.

12. The initial rating was based on the assessment of key controls presented in Table 1. The final overall rating is **unsatisfactory** as implementation of one critical and five important recommendations remains 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 the vehicle fleet in MINUSTAH	(a) Oversight	Unsatisfactory	Partially satisfactory	Unsatisfactory	Partially satisfactory
	(b) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
<b>FINAL OVERALL RATING: UNSATISFACTORY</b>					

#### A. Oversight

##### Vehicle fleet needed to be reduced

13. The Department of Field Support (DFS) Surface Transport Manual provided for the Vehicle Establishment Committee to be the sole authority in the Mission for defining and proposing vehicle establishment for each unit/section. The MINUSTAH transport standard operating procedures required the Force Vehicle Inventory Unit to develop a budget proposal for vehicle acquisition on the basis of the

<sup>1</sup> A rating of “**unsatisfactory**” means that one or more critical and/or pervasive important deficiencies exist in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

Mission's staffing table and standard cost manual ratios, which provided for the allocation of one vehicle per 2.5 staff members in substantive sections and 4.5 staff members in support sections.

14. MINUSTAH had established a Vehicle Establishment Committee, which was functioning effectively. In its meeting of 30 June 2011, the Committee recommended that vehicles be distributed according to the number of encumbered posts and excess vehicles be withdrawn from use. A Committee meeting of March 2013 re-emphasized the need for excess vehicles to be withdrawn from use. However, the Transport Section did not adequately follow up on this issue and as of September 2013 the Mission had 835 vehicles in use, which were 150 more vehicles than necessary, based on 2,839 encumbered posts. As of October 2014, MINUSTAH sections/units had returned to the Transport Section 74 of the excess vehicles as recommended by the Vehicle Establishment Committee.

15. Additionally, MINUSTAH procured 356 vehicles costing \$9.7 million using the remaining funds of the post-earthquake budget of 2010/11. These vehicles were delivered in January 2012. MINUSTAH did not need this number of vehicles, as 183 were still in unit stock as of 31 December 2012. Also, although 40 of these vehicles had been used to replace those that had exceeded their expected life and 100 vehicles were transferred to the United Nations Multidimensional Integrated Stabilization Mission in Mali in July 2013, 43 vehicles remained in stock as of July 2014. The procurement of excess vehicles resulted from the inadequate assessment of existing and future vehicle requirements. The 183 vehicles that remained in stock after one year of delivery were purchased at \$5 million and depreciated in stock to about \$3.8 million as at 31 December 2012 without being used. The initial cost of shipping 100 vehicles to Haiti was \$223,000 and the transportation cost to Mali was \$495,064. These costs could have been avoided if MINUSTAH had properly planned its vehicle requirements.

**(1) MINUSTAH should implement an action plan to withdraw excess vehicles held by different sections and redeploy or dispose of excess vehicles, including those in stock.**

*MINUSTAH accepted recommendation 1 and stated that it had already withdrawn 74 of 93 vehicles proposed by the Vehicle Establishment Committee for withdrawal and would continue its efforts in withdrawing the remaining excess vehicles. The redeployment and disposal of excess vehicles would be done after the Haitian elections. Recommendation 1 remains open pending receipt of evidence of withdrawal and proper redeployment or disposal of excess vehicles.*

Action was needed to reduce the high number of vehicle accidents

16. The DFS Surface Transport Manual required the establishment of a Traffic Safety Committee to implement policies and procedures on road safety, and to review and make recommendations on road traffic violations. MINUSTAH management was to implement suitable disciplinary measures based on the nature and recurrence of traffic offences. The MINUSTAH transport standard operating procedures required Mission personnel using United Nations vehicles to have a valid United Nations driver's permit by successfully completing a driving assessment.

17. MINUSTAH established an Advisory Committee on Traffic Safety in January 2012, which convened 15 times during the audit period, dealing with 137 traffic violations and accident cases and recommended the withdrawal or suspension of 97 driver permits. However, management delayed implementing the recommendations. For example, a review of 20 of 97 cases of suspension/withdrawal of driver's permits indicated that it took an average of 103 days to implement the recommended actions. Additionally, the Committee did not develop, review and promote safe driving practices. For example, there was no mechanism for statistics related to vehicle accidents to be presented for review and action to

be taken to improve road safety. As a result, MINUSTAH did not have a mechanism in place to set targets and periodically review the road safety performance against them.

18. MINUSTAH had not implemented appropriate action or a deterrent against those personnel repeatedly involved in vehicle accidents and driving violations. For instance, a review of accident records and car log reports indicated that there were 194 individuals involved in three or more accidents. This included 64 persons with records of four accidents each, 28 in five accidents and 16 in six accidents. Also, a review of 30 of the 9,973 reported cases of over speeding showed that management did not follow up and impose sufficient restrictions, particularly on repeat offenders although a system-generated email was sent to staff violating the MINUSTAH stipulated driving parameters.

19. OIOS correlated the number of accidents to the Mission's standards for granting driver permits. The analysis showed that there were 76 staff who got involved in an accident within one month of obtaining their driving permit. In view of repeated traffic accidents and violations mentioned above, MINUSTAH needed to implement a more rigorous process for granting driver's permits to ensure that only individuals who can drive vehicles safely were given driving permits.

20. The lack of consequences for violating driving regulations, inadequate promotion of safe driving practices and lenient driving assessments impacted on the cost of repairing vehicles and increased reputational risks in cases of recurring accidents due to poor driving by Mission personnel.

**(2) MINUSTAH should implement policies and procedures to improve road safety measures and reduce the high number of accidents by taking prompt and appropriate measures and sanctions against drivers who violate driving regulations, and implementing more rigorous driver testing standards to ensure that only individuals who can drive vehicles safely are given driving permits.**

*MINUSTAH accepted recommendation 2 and stated that in addition to the strengthening of the functions of the Advisory Committee on Traffic Safety, administrative actions on traffic offenders had been expedited. The Mission had improved the driving testing process by including a theoretical test and increased complexity of practical driving test. Besides, the Mission had taken measures to organize annual safety campaigns with the next one being scheduled for the first week of December 2014. Based on the action taken by MINUSTAH, recommendation 2 has been closed.*

## **B. Regulatory framework**

### Workshop equipment and staff training were adequate

21. The DFS Surface Transport Manual required workshops to have the appropriate equipment and workshop staff to be properly trained. OIOS visits showed that workshops had adequate tools and equipment including vehicle lifts and electronic testing equipment required for maintaining vehicles. Workshop staff were also provided with relevant training, including that related to new model of a certain brand of vehicles in the MINUSTAH fleet with advanced electronic key programming technology. OIOS concluded that adequate procedures were in place to ensure workshops were properly equipped and staff were trained.

### Maintenance of vehicles and record keeping of repair works needed to be strengthened

22. The MINUSTAH transport standard operating procedures required vehicles to be maintained every 5,000 kilometres (plus or minus 500 kilometres). The Transport Section required a work order to be completed and signed by the responsible workshop technician and the eventual recipient of vehicle.

23. A review of 280 work orders for the maintenance of 22 vehicles indicated that 12 vehicles were not scheduled for maintenance at the 5,000-kilometre mark, with three vehicles not scheduled for maintenance until after 5,500 kilometres. This happened even though the Mission had implemented a system to alert drivers of the need for them to schedule the regular maintenance check. Moreover, the mechanics did not sign the work orders in 92 of the 280 cases reviewed, and the drivers did not sign and acknowledge the receipt of the repaired vehicles in 42 cases. As a result, MINUSTAH was unable to assign accountability for stock discrepancies. For example: (a) a clutch was reported to have been replaced but found later not to be the case; and (b) a battery was changed in one vehicle nine times in 18 months, with three of these changes within one month.

**(3) MINUSTAH should implement procedures to ensure that: (a) vehicles are maintained as required; and (b) all work orders, including for spare parts issued, are signed by the responsible technician and recipient of the vehicle.**

*MINUSTAH accepted recommendation 3 and stated that it had implemented measures to carry out the maintenance as per the new standard operating procedures and would conduct inspections at all locations to ensure that manual work orders were signed by the concerned mechanic and the recipient of the vehicle. Recommendation 3 remains open pending receipt of evidence that appropriate measures have been implemented over the maintenance of vehicles and upkeep of manual work orders.*

#### Management of spare parts inventory needed improvement

24. The DFS Surface Transport Manual required that only sufficient spare parts were held to maintain the operational availability of United Nations-owned vehicles.

25. A review of MINUSTAH spare parts indicated that adequate procedures were not in place for assessing spare part requirements. Due to this, vehicles were off road for long periods due to the unavailability of parts. For example, three 4x4 vehicles, one mini bus and six heavy vehicles in Port-au-Prince were off road for more than a year. On the other hand, MINUSTAH had 34 non-moving stock items valued at \$600,000 and 177 slow-moving stock items valued at \$240,000 as at 31 March 2014. This resulted due to the lack of analysis to identify fast and slow-moving items, and resulted in inefficiencies relating to stock holdings and prolonged off-road time.

**(4) MINUSTAH should analyze and monitor the fast-moving and slow-moving vehicle spare parts and take appropriate action to ensure availability when needed.**

*MINUSTAH accepted recommendation 4 and stated that despite efforts to ensure availability of fast moving items, supply chain for vehicle spare parts remained a challenge in the Mission. The Mission would take action to identify and display a list of slow moving items on half-yearly basis. Recommendation 4 remains open pending receipt of evidence that procedures have been established to systematically identify and minimize stock of slow-moving items while ensuring timely availability of fast-moving items needed for vehicle repair and maintenance.*

#### Spare parts inventory was not accurate

26. The DPKO/DFS Property Management Manual provided that chiefs of self-accounting units were responsible for maintaining adequate records for controlling inventory. The MINUSTAH transport standard operating procedures required the Transport Section to conduct an annual inventory of vehicle spare parts, tools and miscellaneous items.

27. MINUSTAH was recording issuance of spare parts in manual work orders. However, this information was not transferred to Galileo in an accurate and timely manner. For example, a review of all manual work orders in six warehouses indicated that 1,414 work orders, including 680 for one workshop, had not been recorded in Galileo. Additionally, a review of 176 stock line items valued at \$177,844 indicated a shortage of 1,151 individual parts valued at \$54,386 and a surplus of 527 parts valued at \$8,451.

28. The above resulted as: MINUSTAH had not implemented adequate monitoring procedures over the closure of work orders; some regional workshops experienced difficulties in recording spares in Galileo as the corresponding vehicle's location field was incorrect; regular inventory checks were not being done; and inventory management functions were not properly segregated. The lack of up-date information on available spare parts impacted on the efficiency of the workshop and procurement planning.

**(5) MINUSTAH should strengthen procedures over safeguarding the inventory of spare parts by ensuring that: spare parts issued through manual work orders are systematically recorded in Galileo; periodic physical verification of spare parts inventory is conducted; and duties over inventory management are properly segregated.**

*MINUSTAH accepted recommendation 5 and stated that it had implemented measures in Port-au-Prince to ensure that work orders are timely entered into Galileo and would commence conducting periodic physical verification of spare parts inventory without further delay. The Mission would review and address the issue of segregation of duties over inventory management in the regions. Recommendation 5 remains open pending receipt of evidence that inventory controls have been strengthened.*

MINUSTAH incurred additional expenditure for vehicle rental services

29. The MINUSTAH contract for car rental services in Santo Domingo stipulated rental rates per day or per month, depending on driving services provided and types of vehicles hired. The contract did not include sales taxes on the premise that United Nations was exempt from such tax.

30. A review of 45 invoices and payment statements for fiscal years 2011/12 and 2012/13 indicated that the vendor was applying the daily rates stipulated in the contract. However, the vendor also charged MINUSTAH for vehicles and driving services on Saturdays, Sundays and official holidays when they were not required and were not being used by MINUSTAH. OIOS estimated that the vendor overcharged MINUSTAH for the period from 1 July 2011 to 31 March 2014 by over \$181,000. These overcharges resulted as MINUSTAH did not adequately verify the amounts invoiced against the services provided.

31. MINUSTAH also paid the vendor \$143,497 from 1 July 2011 to 31 March 2014 for sales tax. MINUSTAH had not been able to obtain a reimbursement of this sales tax due to the absence of memorandum of understanding between the United Nations and the Government of the Dominican Republic. MINUSTAH had been negotiating with the government for some time, and due to the Mission's active involvement in resolving this issue, no recommendation was made.

**(6) MINUSTAH should recover from the vendor amounts incorrectly invoiced for vehicle services that were not received and implement procedures to systematically verify invoices against services received to detect over-charging.**

*MINUSTAH accepted recommendation 6 and stated that it would assess the services provided by the contractor during weekends to determine the amount invoiced incorrectly and take appropriate action against the contractor. The Mission would prepare new statement of works for future contracts to reflect the audit recommendation. Recommendation 6 remains open pending receipt of evidence that procedures to verify invoices against actual services received have been implemented and amounts overcharged have been recovered.*

Rented vehicles were driven by Mission staff without valid license

32. The Government of the Dominican Republic required drivers to hold a valid license to drive a vehicle in the Dominican Republic. A review of the usage of four sedans hired by MINUSTAH during the audit period for the Santo Domingo Support Office indicated that four staff regularly drove these vehicles using their MINUSTAH driving permit. This practice was irregular as a MINUSTAH driving permit was only valid for driving United Nations vehicles within the Mission area. MINUSTAH staff did not obtain a valid license in the Dominican Republic as they were not subject to police scrutiny under normal circumstances. Further, the vendor for vehicle services was not ensuring, prior to providing vehicles to individuals that they had a valid driving license for the country.

33. Driving vehicles without valid licenses exposed the Mission to reputation risk and financial liability in case of accidents.

**(7) MINUSTAH should implement procedures to ensure that its staff obtain valid driving license for driving vehicles in the Dominican Republic.**

*MINUSTAH accepted recommendation 7 and stated that it would issue an administrative instruction informing all staff that driving any vehicle in the Dominican Republic without a valid (government issued) driving license was prohibited. Recommendation 7 remains open pending receipt of the copy of administrative instruction issued to the staff to obtain valid driving license to drive vehicles in the Dominican Republic.*

#### **IV. ACKNOWLEDGEMENT**

34. OIOS wishes to express its appreciation to the Management and staff of MINUSTAH 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 fleet management in the United Nations Stabilization Mission in Haiti

Recom. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	MINUSTAH should implement an action plan to withdraw excess vehicles held by different sections and redeploy or dispose of excess vehicles, including those in stock.	Critical	O	Receipt of evidence of withdrawal and proper redeployment or disposal of excess vehicles.	30 June 2015
2	MINUSTAH should implement policies and procedures to improve road safety measures and reduce the high number of accidents by taking prompt and appropriate measures and sanctions against drivers who violate driving regulations, and implementing more rigorous driver testing standards to ensure that only individuals who can drive vehicles safely are given driving permits.	Critical	C	Action taken.	Implemented
3	MINUSTAH should implement procedures to ensure that: (a) vehicles are maintained as required; and (b) all work orders, including for spare parts issued, are signed by the responsible technician and recipient of the vehicle.	Important	O	Receipt of evidence that appropriate measures have been implemented over the maintenance of vehicles and upkeep of manual work orders.	30 April 2015
4	MINUSTAH should analyze and monitor the fast-moving and slow-moving vehicle spare parts and take appropriate action to ensure availability when needed.	Important	O	Receipt of evidence on establishment of procedures to systematically identify and minimize stock of slow-moving items while ensuring timely availability of fast-moving items needed for vehicle repair and maintenance.	31 May 2015
5	MINUSTAH should strengthen procedures over safeguarding the inventory of spare parts by ensuring that: spare parts issued through manual work orders are systematically recorded in Galileo;	Important	O	Receipt of evidence that inventory controls have been strengthened.	31 March 2015

<sup>1</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>2</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>3</sup> C = closed, O = open

<sup>4</sup> Date provided by MINUSTAH in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

### Audit of fleet management in the United Nations Stabilization Mission in Haiti

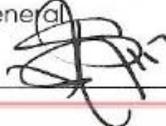
Recom. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
	periodic physical verification of spare parts inventory is conducted; and duties over inventory management are properly segregated.				
6	MINUSTAH should recover from the vendor amounts incorrectly invoiced for vehicle services that were not received and implement procedures to systematically verify invoices against services received to detect over-charging.	Important	O	Receipt of evidence that procedures to verify invoices against actual services received have been implemented and amounts overcharged have been recovered.	31 January 2015
7	MINUSTAH should implement procedures to ensure that its staff obtain valid driving license for driving vehicles in the Dominican Republic.	Important	O	Receipt of a copy of the administrative instruction issued to the staff to obtain valid driving license to drive vehicles in the Dominican Republic.	31 December 2014

# **APPENDIX I**

## **Management Response**



TELEFAX TRANSMISSION

Outgoing fax msg no:		Page 1 of 6
To:	Ms. Eleanor T. Burns Chief, Peacekeeping Audit Service, IAD, OIOS, UNHQ, NY	From: Sandra Honoré Special Representative of the Secretary-General MINUSTAH 
Fax no:	3-3388 (via email)	Fax no: 7-9080
Info:	Ms. Cynthia Avena-Castillo IAD, OIOS, UNHQ, NY Mr. Iswari Bhattarai (bhattarai2@un.org)	Date: 24 November 2014
		Ref: IAD: 14-683/01
Subject:	<b>Assignment No AP2014/683/01 – Audit of Fleet Management in MINUSTAH - Mission response to Draft Report</b>	

1. Reference is made to your memorandum of 03 November 2014 on the above mentioned subject, under cover of which you forwarded the OIOS Draft Report relating to effective fleet management in MINUSTAH.

2. Please find attached MINUSTAH's comments on the recommendations as requested.

Best regards,

Drafted by: K. Zillner, AA O/DDMS	Cleared by: Wallace Divine, DMS 
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## Management Response

## Audit of fleet management in the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MINUSTAH should implement an action plan to withdraw excess vehicles held by different sections and redeploy or dispose of excess vehicles, including those in stock.	Critical	Yes	FVIU Unit	30 June 2015	The Mission is in the process of writing off vehicles reaching the criteria. However, considering the upcoming Haitian elections, which will require an additional number of 250 vehicles for support, and the fact that written off vehicles can no longer be operated, the process cannot be finalised until the elections are completed. Presently, 74 out of the 93 vehicles proposed by the Vehicle Establishment Committee (VEC) for withdrawal from sections have been withdrawn and in storage.
2	MINUSTAH should implement policies and procedures to improve road safety measures and reduce the high number of accidents by taking prompt and appropriate measures and sanctions against drivers who violate driving regulations, and implementing more rigorous driver testing standards to ensure that only individuals who can drive vehicles safely are given driving permits.	Critical	Yes	Training Licensing and Road Safety Unit	Fully Implemented	The Advisory Committee on Traffic Safety (ACTS) is now functional and meets on a monthly basis. The timeline between the recommendation of ACTS and the approval by Senior Management and the resulting administrative action against staff found not compliant with traffic regulations, has reduced to 2 – 3 weeks. New measures have been put in place to improve the driving testing process, including a theoretical exam

<sup>1</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>2</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 fleet management in the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						questionnaire, a more detailed driver application form and increased complexity of the practical driving test. In addition, the Mission will conduct periodic reviews of testing personnel to ensure that driving assessments are performed correctly and test results recorded accurately. Safety Campaigns are to be performed on a yearly basis. The next Safety Campaign is planned for the first week of December 2014.
3	MINUSTAH should implement procedures to ensure that: (a) vehicles are maintained as required; and (b) all work orders, including for spare parts issued, are signed by the responsible technician and recipient of the vehicle.	Important	Yes	DCTO Fleet Maintenance	30 April 2015	(a) Maintenance is now being carried out in accordance with the new Standard Operating Procedures guidelines; (b) Inspection of hard copy work orders will be resumed at all locations and any future cases identified at the workshop / maintenance level will be reported to the Chief Transport Officer.
4	MINUSTAH should analyze and monitor the fast-moving and slow-moving vehicle spare parts and take appropriate action to ensure availability when needed.	Important	Yes	Spare Parts Manager	31 May 2015	The Mission wishes to reiterate that while efforts to ensure availability of fast moving items are continually being carried out, supply chain remains a challenge for the Mission. Review of slow moving items on the other hand are constantly being assessed during preparation of new requirements and Sections normally do not place orders where low consumption is reported and stocks are

## Management Response

## Audit of fleet management in the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						still high. An official list on slow moving items will be published and disseminated on a six month basis.
5	MINUSTAH should strengthen procedures over safeguarding the inventory of spare parts by ensuring that: spare parts issued through manual work orders are systematically recorded in Galileo; periodic physical verification of spare parts inventory is conducted; and duties over inventory management are properly segregated.	Important	Yes	Spare Parts Manager/ RTOs Workshop	31 March 2015	(a) In Port-au-Prince, posting of transactions based on manual work orders are being coordinated on a daily basis with workshop units; (b) Conducting of periodic physical verification based on the latest instructions will be implemented without further delay and SOP will be updated accordingly <b>no later than 30 December 2014.</b> (c) The Central Warehouse in Port-au-Prince has for a long time been segregated by Storekeepers who handle warehouse-related activities and a sub-unit which is responsible for inventory reporting. However, set-up in the Region which is out of Stores Unit's responsibility will be reviewed and addressed to the assigned Regional Transport Officers (RTOs) accordingly.
6	MINUSTAH should recover from the vendor amounts incorrectly invoiced for vehicle services that were not received and implement procedures to systematically verify invoices against services received to detect over-charging	Important	Yes	Transport Section, Procurement Section, Legal Unit	15.12.2014 (SOW) 01.03.2014 (New Contract)  30.11.2014	The current contract was extended for four (4) months; a new statement of work (SOW) is under preparation to reflect audit recommendations. A new contract will be established beginning March 2015. Procedures for verification of current invoices against services received are under establishment/implementation.

## Management Response

## Audit of fleet management in the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
					12.11.2014 (implemented)	A meeting was held on 12.11.14 with the participation of the Audit Team, Transport, Procurement, Legal, to clarify all aspects of the contract, for future follow up.
					30.11.2014	The Audit team will provide details to Transport Section about the bills checked during the audit visit and calculations.
					15.01.2015	An assessment of the services provided by the Contractor during weekends to cover the audit period (2011-2013) will be performed by the focal point in Santo Domingo Office.
					31.01.2015	Following the results of the assessment, an Action Plan validated by Transport, Contract Management Unit (CMU), Procurement and Legal will be prepared for the future actions in relation with the contractor.
7	MINUSTAH should implement procedures to ensure that its staff obtain valid driving license for driving vehicles in the Dominican Republic.	Important	Yes	Training Licensing and Road Safety Unit	31.12.2014	An Administrative Instruction will be issued to inform all staff that it is prohibited to drive any vehicle in the Dominican Republic without a valid, nationally recognized driving license and in this regard, a United Nations (UN) driving permit alone is not considered a valid driving license. All concerned staff in Santo Domingo will be instructed not to drive any rented

**Management Response**

**Audit of fleet management in the United Nations Stabilization Mission in Haiti**

<b>Rec. no.</b>	<b>Recommendation</b>	<b>Critical<sup>1</sup>/ Important<sup>2</sup></b>	<b>Accepted? (Yes/No)</b>	<b>Title of responsible individual</b>	<b>Implementation date</b>	<b>Client comments</b>
						vehicles unless in possession of a valid driving license issued by the Government of Dominican Republic.