



INTERNAL AUDIT DIVISION

REPORT 2017/078

Audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

MINUSCA needed to enhance controls over issuing driving permits, complying with specified speed limits for United Nations vehicles, establishing an effective and functional Road Safety Committee and ensuring regular maintenance of vehicles to make vehicle fleet management more effective

9 August 2017
Assignment No. AP2016/637/07

Audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

EXECUTIVE SUMMARY

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the management of the vehicle fleet in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA). The audit covered the period from 15 September 2014 to 31 December 2016 and it included reviews of: (i) vehicle establishment, planning and budgeting; (ii) monitoring of vehicles use; (iii) fleet insurance, road safety and handling of accidents; (iv) vehicle repair, maintenance and disposal; and (v) transport inventory management.

While MINUSCA had implemented controls over vehicle establishment and insurance, there was a need to enhance controls over issuing driving permits, complying with specified speed limits for United Nations vehicles, establishing an effective and functional Road Safety Committee, and ensuring regular maintenance of vehicles to make vehicle fleet management more effective.

OIOS made 10 recommendations. To address issues identified in the audit, MINUSCA needed to:

- Follow established procedures for issuing driving permits;
- Acquire the necessary materials and allocate sufficient space to conduct vision and practical driving tests;
- Allocate resources to ensure the installation and maintenance of the electronic vehicle monitoring system in the entire fleet of United Nations-owned vehicles;
- Ensure compliance with established speed limits, address excessive engine idle times, and exercise its authority in sanctioning violators;
- Establish a functional Road Safety Committee;
- Ensure that a damage/discrepancy report is properly completed for each accident case and relevant vehicle accidents reports are submitted to the Local Property Survey Board in a timely manner;
- Establish mechanisms to ensure regular maintenance of vehicles in timely manner;
- Establish procedures and provide adequate resources, including spare parts, to avoid delays in repairs and maintenance of vehicles;
- Construct workshops with adequate facilities for repair and maintenance services of vehicles in the sectors' headquarters; and
- Implement adequate inventory management controls to safeguard and account for spare parts.

MINUSCA accepted the recommendations, one recommendation has been implemented and action has been taken to implement the remaining ones.

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Audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA).
2. The MINUSCA Transport Section was responsible for the overall management, maintenance and operations of the United Nations-owned vehicles and related equipment to provide surface transport support throughout the Mission. Transport operations and activities were governed by the Department of Peacekeeping Operations/Department of Field Support (DPKO/DFS) Surface Transport Management Manual. The MINUSCA Transport Section comprises three Units: (i) Road Safety; (ii) Fleet Maintenance and Regional Coordination; and (iii) Fleet Management.
3. The Transport Section was headed by a Chief Transport Officer (CTO) at the P-4 level who reported to the Director of Mission Support (DMS) through the Chief of Service Delivery. The Section had 66 staff including 14 international, 22 United Nations Volunteers, and 30 national staff. As of December 2016, MINUSCA had 923 vehicles, consisting of passenger, logistics, and support equipment with a depreciated value of \$24.8 million. The MINUSCA ground transport budgets for the financial years 2014/15, 2015/16 and 2016/17 were \$24.5 million, \$42.1 million and \$20.0 million respectively.
4. Comments provided by MINUSCA are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

5. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the management of the vehicle fleet in MINUSCA.
6. This audit was included in the 2016 risk-based work plan of OIOS due to operational risks and the criticality of sufficient surface transport to support the implementation of the Mission mandate and the significance of financial resources involved in the fleet management.
7. OIOS conducted this audit from January to May 2017. The audit covered the period from 15 September 2014 to 31 December 2016. Based on an activity-level risk assessment, the audit covered higher and medium risks in fleet management, which included: (i) vehicle establishment, planning and budgeting; (ii) monitoring of vehicles use; (iii) fleet insurance, road safety and handling of accidents; (iv) vehicle repair, maintenance and disposal; and (v) transport inventory management.
8. The audit methodology included: (a) interviews of key personnel, (b) review of relevant documentation, (c) analytical review of data, (d) random sample testing; and (e) physical inspection.

III. OVERALL CONCLUSION

9. MINUSCA constituted a Vehicle Establishment Committee (VEC), which was effectively functioning to determine the requirement for vehicles and their allocation to each pillar and the Unit/Section. However, MINUSCA needed to: (a) follow established procedures for issuing driving permits; (b) acquire the materials required and allocate sufficient space to conduct vision and practical

driving tests (c) allocate resources to ensure the installation and maintenance of an electronic vehicle monitoring system in the entire fleet of United Nations-owned vehicles in the Mission (d) ensure compliance with established speed limits, address excessive engine idle times, and exercise its authority in sanctioning violators; (e) establish an effective and functional Road Safety Committee; (f) follow established procedures to report vehicle accidents; (g) ensure regular maintenance of vehicles in a timely manner; (h) dedicate adequate resources to avoid delays in repair and maintenance of vehicles; (i) construct workshops with adequate facilities for repair and maintenance services of vehicles in the sectors' headquarters; and (j) implement adequate inventory management controls to safeguard and account for spare parts.

IV. AUDIT RESULTS

A. Fleet requirement planning

The Mission implemented adequate procedures for determining the fleet requirement and their allocation

10. The DPKO/DFS Surface Transport Management Manual (the Manual) required MINUSCA to establish a VEC to meet at least once a year. The VEC was required to: (i) translate the general vehicle establishment policy into detailed plans to cover each Unit/Section of the Mission; (ii) define and approve the initial vehicle establishment as well as any subsequent amendments; and (iii) conduct periodic reviews of each Unit/Section to determine their requirements for vehicles.

11. MINUSCA constituted a VEC with the appropriate composition of members, and held two meetings during the audit period, in December 2015 and December 2016. The VEC determined that the Mission needed 690 light passenger vehicles. In determining the Mission's fleet requirements, the VEC referred to the ratios provided in the Standard Cost and Ratio Manual (August 2016) and applied it to the total number of Mission staff taking into consideration specific personnel categories and job responsibilities, as well as the Mission's vacancy rate and vehicle establishment change requests from Mission pillars to modify or justify their allocation. The Committee delegated the management of the allocated vehicles to fleet managers in each Pillar as focal points for any allocation or re-allocation of vehicles for the respective pillar and gave the fleet managers the responsibility to implement decisions taken by the Committee in coordination with the CTO. The Committee discussed feedback from the fleet managers at its meetings and made decisions thereon.

12. OIOS concluded that MINUSCA had established adequate controls over vehicle fleet requirement planning and the allocation of vehicles to each Unit/Section of the Mission.

B. Monitoring of vehicle usage

Need to follow established procedures for the issuance of driver's permits

13. The Manual required MINUSCA to: (i) appoint a certified driving test officer to conduct a vision test and a practical driving test for applicants of a driver's permit; and (ii) implement a filing system and maintain an accurate and up-to-date database of personnel receiving United Nations driving permits.

14. The MINUSCA Transport Section could not provide 56 of 151 files related to issuance of driving permits selected for testing. Also, a review of 95 files of driving permits issued showed that the MINUSCA Transport Section did not:

- Maintain driver's summary information for 14 applicants although Mission personnel applying for a United Nations driver's permit were required to disclose any factor/s that may influence their ability to drive in the summary form;
- Provide evidence of driving tests conducted for 12 applicants which indicated that driving permits were issued without the required tests; and
- Appoint a certified driving testing officer to conduct driving tests for 32 applicants who applied during the period from 15 September 2014 to 30 June 2016 making it difficult to ascertain if qualified transport officers conducted the driving tests. Since 1 July 2016, the Section had appointed certified driving test officers

15. The Transport Section maintained a database, which showed that 2,945 driving permits were issued between 15 September 2014 and 31 December 2016. However, a review of data in the database showed that it did not include: (i) expiry dates for 8 driving permits; (ii) the national permit's expiry date for 1,263 driving permits; (iii) the driver's date of birth in 1,505 driving permits; and (iv) the issue and expiry date for 6 driving permits.

16. The happened as during the start-up phase of the Mission, it had not established effective supervisory controls over the issuance of driving permits. The Transport Section also did not have adequate tools and materials for vision tests and space to conduct the practical driving test. There was therefore an increased risk of unqualified and unfit personnel receiving a driving permit, which could have contributed to the increased accident rate in the Mission as indicated later in this report.

(1) MINUSCA should take action to ensure that the Transport Section follow proper procedures prior to issuing a driving permit to an applicant.

MINUSCA accepted recommendation 1 and stated that the Driving Permit Cell has been integrated with the Road Safety Unit and staffed by three international staff who are managing the process of issuing driving permits. The Mission is developing a standard operating procedure to ensure proper procedures are followed for the issuance of driving permits. Recommendation 1 remains open pending receipt of evidence of issuance of the standard operating procedure to ensure proper procedures are followed for the issuance of the driving permits.

(2) MINUSCA should acquire necessary materials and allocate sufficient space to conduct vision and practical driving tests.

MINUSCA accepted recommendation 2 and stated that the Mission is conducting vision tests and is currently identifying a suitable area to conduct the practical driving tests. Recommendation 2 remains open pending receipt of evidence that suitable space has been allocated to conduct practical driving tests.

Established speed limits and procedures needed to be complied with

17. The Manual requires MINUSCA to: (1) install an operational electronic vehicle monitoring system, known as Carlog to improve the management of its fleet, including to mitigate the problems of over-speeding and high accident rates; and (2) impose sanctions on drivers exceeding the speed limit of 80 and 45 kilometres per hour on open roads and in built up areas respectively. MINUSCA Administrative instruction (AI/008/15) dated 13 November 2015 also requires the Mission to monitor drivers for

unnecessary engine idling using the Carlog system and take necessary measures including possible sanctions for non-compliance.

18. MINUSCA did not: (i) reactivate the installed Carlog for 12 vehicles; (ii) replace Carlog modem in 6 vehicles; and (iii) change the speed converter in 18 vehicles. The above occurred due to insufficient Carlog parts and a shortage of technicians to address the Carlog system failure.

19. MINUSCA was not effectively utilizing the Carlog system to monitor drivers for over-speeding and unnecessary engine idling and impose sanctions accordingly. An analysis of speeding data above 90 kilometres for the period from July to December 2016 indicated that there were 1,778 cases of over-speeding from 90 km to 128 km per hour by 290 drivers and this included repeated violations ranging from 4 to 22 times by 28 drivers. In addition, the monthly speed reports showed an average of 4,430 cases of over-speeding per month. MINUSCA did not impose sanctions on drivers exceeding the speed limit.

20. The above occurred because MINUSCA did not establish an enforcement mechanism, consisting of a warning notification to speed limit violators and subsequently suspend driving permits for repeated offenders. MINUSCA also did not implement its administrative instruction on the monitoring of unnecessary engine idling period by using its Carlog system because the existing system did not allow the filtering of engine idling duration of vehicles for monitoring purposes.

21. In the absence of effective sanction measures, there was an increased risk of accidents due to excessive speeding. Also, inappropriate driving behavior reflects negatively on the reputation of United Nations since all MINUSCA vehicles are clearly identified with the United Nations markings. Unnecessary engine idling results in unnecessary use of fuel and increased air and noise pollution.

(3) MINUSCA should allocate resources to install and maintain an electronic vehicle monitoring system for the entire fleet of United Nations-owned vehicles in the Mission.

MINUSCA accepted recommendation 3 and stated that the Mission has installed an electronic monitoring tool (Carlog) in all United Nations-owned vehicles. Based on the action taken by MINUSCA, recommendation 3 has been closed.

(4) MINUSCA should establish an effective mechanism to ensure compliance with established speed limits, address excessive engine idle times, and exercise its authority in sanctioning violators.

MINUSCA accepted recommendation 4 and stated that an Enforcement Cell has been established with responsibility for reviewing road traffic accident reports and applying corresponding sanctions in accordance with the Road Safety Manual. The reprogramming of the Carlog system to capture idle time and excess speeding is currently on-going. Recommendation 4 remains open pending receipt of evidence that the reprogramming of the Carlog system to capture idle time and excess speeding has been completed and appropriate sanctions are being applied.

Need to establish procedures for the transportation of non-United Nations individuals over short distances

22. The Manual requires the MINUSCA Transport Section to obtain the approval of the DMS prior to transporting non-United Nations individuals in United Nations vehicles, and for non-United Nations individuals to sign a waiver exempting the Organization from liability.

23. Waiver documents were kept in the field support suite for long distance travel. However, there was no corresponding process for short distance travel that did not require an electronic movement of personnel form. The review noted that, on 11 December 2016, 23 non-United Nations passengers were transported in MINUSCA vehicles but the Transport Section could neither provide the approval of the DMS nor waivers signed by the passengers. This increased the risk of financial liability to MINUSCA in the event of an accident.

24. During the audit, the Transport Section began to post a notice on its shuttle buses informing the non-United Nations passengers that a duly signed waiver is required to be presented to the driver prior to boarding the vehicle. As action had been taken to address this control weakness, no recommendation was made in this regard.

C. Fleet insurance, road safety and handling of accidents

The Mission implemented adequate procedures to cover vehicles with third party liability insurance

25. The Manual requires MINUSCA to cover all vehicles owned or operated by the United Nations with third party liability insurance and submit monthly the number of vehicles in use to the DFS Surface Transport Section.

26. MINUSCA had ensured that all types of United Nations and contingent-owned vehicles and material handling equipment in operation were covered by third-party liability insurance. MINUSCA submitted the required monthly vehicles insurance reports to the Surface Transport Section of DFS for the period under review. OIOS concluded that MINUSCA had implemented adequate procedures to obtain insurance for all vehicles owned or operated by the Mission.

Need for functional Road Safety Committee in MINUSCA

27. The DPKO/DFS Road Safety Manual requires MINUSCA to constitute a Road Safety Committee consisting of the members representing the fleet management, engineering, enforcement and training units, as well as the principal vehicle user groups, which have a large role in the success of a Mission's road safety programme. The Committee is required to meet on a quarterly basis to carry out functions including to: (a) review road accidents involving Mission vehicles to identify unsafe human behaviours and conditions associated with their operation; (b) set measurable, long- and mid-term Mission road safety targets; and (c) monitor the progress of the Mission road safety programme to ensure that the activities are being carried out in line with the programme and the established targets.

28. MINUSCA did not constitute a formal Road Safety Committee with the terms of reference as required by the Manual, but established a Road Safety Unit in August 2016 under the Office of DMS. The Office convened a meeting on the formation of the MINUSCA Road Safety Advisory Committee in August 2016, and in April 2017, a meeting of the Committee was held. Minutes of the meeting were available; however, the minutes did not include the composition of the attendees.

29. There was an increasing trend of traffic violations, which were not properly addressed due to the absence of a functional Road Safety Committee to oversee necessary road safety measures. For instance: in 2015, 97 and 14 major accidents were reported to the Special Investigation Unit (SIU) and military police respectively, which increased to 141 and 30 in 2016. There were 4 deaths and 53 injuries in 2015 and 9 deaths and 59 injuries in 2016 from road accidents involving MINUSCA vehicles.

(5) MINUSCA should take action to establish a functional Road Safety Committee with approved terms of reference and correct composition and ensure that the committee meets regularly and addresses issues related to road safety.

MINUSCA accepted recommendation 5 and stated that the terms of reference for the Road Safety Advisory Committee has been completed and the appointment of Committee members would be finalized. Recommendation 5 remains open pending receipt of a copy of the terms of reference and evidence of appointment of the Committee members.

There was a need to follow established procedures over vehicle accidents reported

30. The Manual requires drivers involved in an accident to complete an accident report and present the vehicles within 24 hours to the Transport Section for inspection and completion of a damage/discrepancy report (DDR), regardless of the cost of accident. The Manual further requires the Transport Section to compile and submit relevant vehicle accident reports to the Local Property Survey Board (LPSB) Secretary. The Field Finance Procedure Guidelines requires the LPSB to review all cases where the loss, damage and discrepancy to the property exceed \$500 for appropriate recommendations including financial recovery from drivers, if necessary. The Manual also requires drivers of United Nations vehicles involved in an accident to contact the applicable United Nations security official and submit their accident report to the SIU immediately, and where not immediately possible within a maximum of 24 hours after the accident.

31. The Transport Section did not have complete DDRs for the 949 traffic accidents that occurred during the audit period, and only prepared DDRs for 268 accidents (16 in 2014, 34 in 2015 and 218 in 2016). Of these 268 accidents, the DDR showed that in 31 accidents, the loss/damage to the property was \$500 or above while in the remaining 237 accidents, the loss/damage was less than \$500. A further review of all 31 DDRs where the individual accident cost was \$500 or above showed that only 2 of 31 vehicles reviewed were presented within 24 hours for inspection and completion of a DDR. Also, the Transport Section did not:

- Complete and finalize 7 DDRs as of February 2017, and it took an average of 113 days to complete and finalize the remaining 24 DDRs.
- Provide the actual cost of the repairs in 17 DDRs and this indicated that the DDR process was not duly completed; and
- Submit the relevant vehicle accident reports to the LPSB for all 24 completed DDRs with an estimated repair cost of \$43,016.

32. The above resulted because the Transport Section had not implemented adequate procedures for the completion of DDRs and the submission of vehicle accident reports to the LPSB. Thus, the Mission may absorb vehicle accident repair costs, which could have been recovered from drivers who were responsible for the accidents.

(6) MINUSCA should implement adequate procedures to ensure that a damage/discrepancy report is properly completed for each accident case and the relevant vehicle accident reports are submitted to the Local Property Survey Board in a timely manner.

MINUSCA accepted recommendation 6 and stated that the Mission is developing a standard operating procedure to address the effective management of the DDR and the submission

process to the LPSB. Recommendation 6 remains open pending receipt of a copy of the standard operating procedure and evidence of its implementation.

D. Vehicle repair, maintenance and disposal

Need for regular routine maintenance of vehicles

33. The Manual requires MINUSCA to develop a vehicle maintenance plan and perform routine vehicle maintenance in accordance with the manufacturers' requirements. MINUSCA had put in place a vehicle maintenance plan based on manufacturers' requirements to conduct routine maintenance at an interval of 5,000 Kilometres. This requirement was programmed into the Carlog system fitted into the fleet of vehicles.

34. However, the Mission was not adhering to the manufacturers recommended maintenance schedule. For example, 36 of a sample of 95 vehicles reviewed were not maintained in accordance with the manufacturers' requirements. Of these 36 vehicles:

- Twelve (33 per cent) were driven 10,000 kilometers or more between maintenance services with a maximum of 19,993 kilometers; and
- Twenty-four (67 per cent) were driven between 5,500 and 10,000 kilometers before maintenance.

35. The above resulted as MINUSCA vehicle drivers did not promptly send vehicles for maintenance in line with the maintenance programme fitted into the Carlog system. Also, the Transport Section did not establish mechanisms to enforce compliance with the routine maintenance programme. The lack of regular maintenance increases the risk of costly breakdowns and repairs of vehicles and affects the longevity of the vehicles' life, which will ultimately negatively impact the Mission's operations.

(7) MINUSCA should establish mechanisms to ensure that all drivers of Mission vehicles comply with the preventive maintenance schedule for timely maintenance of vehicles and equipment.

MINUSCA accepted recommendation 7 and stated that a reminder in the form of an information circular would be sent out to all users of MINUSCA vehicles for the compliance of timely maintenance schedule timelines. In addition, the Mission is exploring other mechanisms to communicate with the vehicle users when the scheduled service period becomes due. Recommendation 7 remains open pending receipt of a copy of the reminder sent to staff and advice of other mechanisms identified to communicate with vehicle users when scheduled servicing is due.

Inability to maintain operational availability of some MINUSCA vehicles due to lack of spare parts

36. The Manual requires MINUSCA to hold sufficient spare parts to maintain operational availability of Mission vehicles. The Manual further requires MINUSCA to calculate spare parts holdings based on recorded historical consumption patterns and delivery times and include a 30-day Mission safety stock reserve to allow service continuity in case of disruption in delivery and long procurement lead times.

37. MINUSCA did not determine the re-order level taking into consideration, historical consumption patterns and expected delivery times including a required safety stock reserve leading to the lack of spare

parts. This happened because MINUSCA did not adequately assess the requirement for spare parts to ensure there were sufficient spare parts in stock. Thus, it took the Mission a long time to repair and maintain its vehicles. For example, a review of data recorded in Galileo for all 923 MINUSCA light and heavy duty vehicles indicated that the Mission completed the repairs and maintenance of: (i) 6 vehicles in an average of 499 days with a maximum of 707 days; (ii) 190 vehicles between 100 and 365 days; (iii) 118 vehicles between 61 and 100 days; and (iv) 121 vehicles between 31 to 60 days. Site visits in Bangui and the sectors' headquarters indicated that 34 vehicles were grounded for periods ranging from 76 days to 674 days.

38. The lack of timely maintenance and repair of vehicles reduces the availability of vehicles for operational needs.

(8) MINUSCA should assess the requirement for vehicle spare parts and take action to ensure that sufficient spare parts are held in stock to maintain operational availability of the Mission fleet.

MINUSCA accepted recommendation 8 and stated that an acquisition plan has been developed, for the acquisition of required spare parts. Recommendation 8 remains open pending receipt of a copy of the acquisition plan and evidence that sufficient spare parts have been acquired.

Vehicle workshops in the sectors needed adequate facilities to conduct maintenance and repairs

39. The Manual requires MINUSCA to manage the repair and service of multi-type vehicle fleet at multiple workshops in separate locations, including body shop, painting, upholstery and carwash.

40. MINUSCA sectors' headquarters vehicle temporary workshops were inadequate for proper repair and maintenance services as they lacked sufficient space and facilities. For example: (a) the Bouar Transport Workshop maintained an average of 50 vehicles but its workshop had capacity for 2 vehicles and one of these spaces was already occupied by a grounded vehicle awaiting spare parts since October 2016 and; (b) although Kaga Bandoro and Bria Transport temporary workshop structures received tools and equipment including car washing machines from Bangui in October 2016, these items were kept in containers and could not be used because a vehicle lift had not yet been received and the car washing bay was not installed.

41. This occurred due to the lack of funds in the budget for fiscal years 2014/15 and 2015/16 to construct proper workshops in the sectors headquarters. The Mission had allocated funds in its 2016/17 budget year for the construction of workshops in three sector headquarters. However, the Engineering Section had not prioritized this activity in its work plan. Inadequate workshop facilities may lead to poor quality of work, increased breakdowns and reduce the availability of vehicles when needed for operations.

(9) MINUSCA should prioritize the construction of transport workshops in the three sector headquarters, including all necessary facilities to ensure adequate repair and maintenance services of vehicle fleet in the sectors.

MINUSCA accepted recommendation 9 and stated that the Engineering Section has been engaged to prioritize the construction of all regional workshops in the sectors. Recommendation 9 remains open pending receipt of evidence of the construction of transport workshops in the three sectors.

Non-operational vehicles requiring write-off had been identified and MINUSCA had initiated the process of write-off

42. The DPKO/DFS Property Management Manual requires self-accounting units to initiate write-off of assets according to established procedures when loss or damage causes property to become unusable or uneconomical to repair, so that the assets can be taken off inventory.

43. MINUSCA Transport Section had reviewed the vehicle fleet, identified 24 vehicles with a total depreciated value of \$98,000 for write-off, and had initiated the process for their write-off. At the time of the audit, a Board of Survey had been duly completed and the vehicles were to be put before the LPSB for review. No disposal of vehicles had taken place in the Mission during the audit period. OIOS concluded that MINUSCA had followed established procedures in identifying the vehicles to be written off and had initiated the process to write them off.

E. Transport inventory management

Warehouse facilities and inventory management needed improvement

44. The Manual requires the MINUSCA Transport Section to record spare parts used for vehicle repairs and maintenance in work order forms and update the Galileo system accordingly.

45. As at 15 February 2017, MINUSCA had 1,370 line items of spare parts valued at \$3.6 million in its central warehouse in Bangui. A review of 194 of 2,918 manual work orders indicated that the work orders were properly recorded in Galileo. However, a physical verification of 70 line items valued at \$1.5 million representing 41 per cent of the stock value indicated: (i) a shortage of 7,648 units of items under 65 line items valued at \$345,414 and (ii) an excess of 317 units of items under five line items valued at \$25,031. Also, some spare parts such as suspensions, shock absorbers and oil filters were not found at the recorded location.

46. The above occurred due to: (a) wrong codification and improper bin system of spare parts in Galileo; (b) lack of sufficient shelves and pallets to store parts; and (c) poor inventory management of transport commodities at the Warehouse.

47. As a result, spare parts were not properly safeguarded, and the physical stock was not accurately recorded in Galileo. Also, the lack of systematic physical verification and reconciliation of inventory to Galileo resulted in stocking of obsolete and slow-moving items. For example, the Integrated Warehouse had identified 343 obsolete units under four line items valued at \$16,205. The identification process of obsolete and slow-moving items was on-going at the time of the audit. MINUSCA has recently initiated actions to install necessary shelves in the warehouse for storing parts.

(10)MINUSCA should implement adequate inventory management controls to safeguard and account for spare parts including; (a) correcting the wrong codification of spare parts in Galileo records; (b) taking appropriate actions to write-off obsolete spare parts; and (c) carrying out regular physical checks of vehicle spare parts and tools.

MINUSCA accepted recommendation 10 and stated that the Mission is in the process of transitioning from Galileo to Umoja, where the correct codification and write-off would be achieved with the launching of Umoja. Recommendation 10 remains open pending receipt of evidence of the successful transitioning of Galileo to Umoja and that correct codification and write-off has been achieved.

V. ACKNOWLEDGEMENT

48. OIOS wishes to express its appreciation to the management and staff of MINUSCA 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 Multidimensional Integrated Stabilization Mission in the Central African Republic

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	MINUSCA should take action to ensure that the Transport Section follow proper procedures prior to issuing a driving permit to an applicant.	Important	O	Receipt of evidence of issuance of the standard operating procedure to ensure proper procedures are followed for the issuance of the driving permits.	30 September 2017
2	MINUSCA should acquire the necessary materials and allocate sufficient space to conduct vision and practical driving tests.	Important	O	Receipt of evidence that suitable space has been to conduct practical driving tests.	30 September 2017
3	MINUSCA should allocate resources to install and maintain an electronic vehicle monitoring system for the entire fleet of United Nations-owned vehicles in the Mission.	Important	C	Action taken.	Implemented
4	MINUSCA should establish an effective mechanism to ensure compliance with established speed limits, address excessive engine idle times, and exercise its authority in sanctioning violators.	Important	O	Receipt of evidence that the reprogramming of the Carlog system to capture idle time and excess speeding has been completed and appropriate sanctions are being applied.	30 September 2017
5	MINUSCA should take action to establish a functional Road Safety Committee with approved terms of reference and correct composition and ensure that the committee meets regularly and addresses issues related to road safety.	Important	O	Receipt of a copy of the terms of reference and evidence of appointment of the Committee members.	30 September 2017
6	MINUSCA should implement adequate procedures to ensure that a damage/discrepancy report is properly completed for each accident case and the relevant vehicle accidents reports are submitted to the Local Property Survey Board in a timely manner.	Important	O	Receipt of a copy of the standard operating procedure and evidence of its implementation	30 September 2017

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

³ C = closed, O = open

⁴ Date provided by MINUSCA in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

Rec. no.	Recommendation	Critical/ Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
7	MINUSCA should establish mechanisms to ensure that all drivers of Mission vehicles comply with the preventive maintenance schedule for timely maintenance of vehicles and equipment.	Important	O	Receipt of a copy of the reminder sent to staff and advice of other mechanisms identified to communicate with vehicle users when scheduled servicing is due.	31 August 2017
8	MINUSCA should assess the requirement for vehicle spare parts and take action to ensure that sufficient spare parts are held in stock to maintain operational availability of the Mission fleet.	Important	O	Receipt of a copy of the acquisition plan and evidence that sufficient spare parts have been acquired.	31 December 2017
9	MINUSCA should prioritize the construction of transport workshops in the three sector headquarters, including all necessary facilities to ensure adequate repair and maintenance services of vehicle fleet in the sectors.	Important	O	Receipt of evidence of the construction of transport workshops in the three sectors.	31 December 2017
10	MINUSCA should implement adequate inventory management controls to safeguard and account for spare parts including; (a) correcting the wrong codification of spare parts in Galileo records; (b) taking appropriate actions to write-off obsolete spare parts; and (c) carrying out regular physical checks of vehicle spare parts and tools.	Important	O	Receipt of evidence of the successful transitioning of Galileo to Umoja and that correct codification and write-off has been achieved.	31 August 2017

APPENDIX I

Management Response

United Nations



Nations Unies

United Nations Multidimensional Integrated
Stabilization Mission in the Central African Republic

MINUSCA

Mission Multidimensionnelle Intégrée des Nations Unies
pour la Stabilisation en République centrafricaine

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

TO: Ms. Eleanor Burns
A: Director
Internal Audit Division, OIOS

DATE: 3 August 2017

FROM: Parfait Onanga-Anyanga
DE: Special Representative of the Secretary-General

REFERENCE:

SUBJECT: **Draft report on an audit of fleet management in the United Nations Multidimensional**
OBJET: **Integrated Stabilization Mission in the Central African Republic (Assignment No. AP2016/637/07)**

1. With reference to your memorandum dated 4 July 2017, on the above-captioned subject matter, please find MINUSCA's response (Appendix I) to the draft report for your consideration and records.

Thank you and best regards.

Attachments: 1

cc: Mr. Milan Trojanović, Director of Mission Support, MINUSCA
Mr. Braima Jamanca, Chief of Service Delivery, MINUSCA
Mr. Sylvain Provost, Chief Transport Officer, MINUSCA
Mr. Daniel Liviu Curea, Audit Focal Point, MINUSCA
Mr. Laud Botchwey, Chief Resident Auditor MINUSCA, Internal Audit Division, OIOS
Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS

Management Response

Audit of fleet management in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MINUSCA should implement adequate controls over the issuance of driver's permit to ensure that the Transport Section follow proper procedures prior to issuing a driving permit to an applicant.	Important	Yes	Chief Transport Officer	30/09/2017	The Driving Permit Cell (DPC) has been integrated with the Road Safety Unit and staffed by 3 international staff who are managing the process of issuing driving permits. The Mission is developing a Standard Operating Procedure in order to ensure proper procedures are followed for the issuance of driving permits.
2	MINUSCA should acquire the materials required and allocate sufficient space to conduct vision and practical driving tests.	Important	Yes	Chief Transport Officer	30/09/2017	MINUSCA DPC currently conducts the Mission's driving tests in accordance with the Surface Transport Manual, including vision tests. With respect to the practical driving test, the mission is currently identifying a suitable area to conduct the handling test range portion of the driving assessment.
3	MINUSCA should allocate resources to ensure the installation and maintenance of the electronic vehicle monitoring system in the entire fleet of vehicles in the Mission.	Important	Yes	Chief Transport Officer	Implemented	The Mission has installed an electronic monitoring tool (CARLOG) in all United Nations owned equipment vehicles.
4	MINUSCA should establish an effective mechanism to ensure compliance with established speed limits, excessive idle times, and exercise its authority in sanctioning violators.	Important	Yes	Chief Transport Officer	30/09/2017	An Enforcement Cell has been established with the responsibility to review Road Traffic Accident (RTA) reports and apply the corresponding

⁵ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

⁶ Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

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						sanctions according to the Road Safety Manual. The reprogramming of the CARLOG system to capture idle time and excess speeding is currently ongoing.
5	MINUSCA should take action to establish an effective and functional Road Safety Committee with approved terms of reference and the correct composition and to ensure that the committee meets regularly and addresses issues related to road safety.	Important	Yes	Chief Transport Officer	30/09/2017	The Terms of Reference for the Road Safety Advisory Committee has been completed and the appointment of committee members will be finalized.
6	MINUSCA should implement adequate procedures to ensure that a damage/discrepancy report is properly completed for each accident case and the relevant vehicle accidents reports are submitted to the Local Property Survey Board in a timely manner.	Important	Yes	Chief Transport Officer	30/09/2017	The Mission is developing a Standard Operating Procedure to address the effective management of the damage/discrepancy reports and the submission process with the LPSB.
7	MINUSCA should establish mechanisms to ensure that all users comply with the preventive maintenance schedule for timely maintenance of vehicles and equipment.	Important	Yes	Chief Transport Officer	31/08/2017	A reminder in the form of an information circular will be sent to all users of MINUSCA vehicles for the compliance of timely maintenance schedule timelines. At the same time, the mission is exploring other mechanisms to communicate with the vehicle users when the scheduled service period becomes due.
8	MINUSCA should assess the requirement for vehicle spare parts and take action to ensure that sufficient spare parts are held in stock to maintain operational availability of the Mission fleet.	Important	Yes	Chief Transport Officer	31/12/2017	An acquisition plan has been developed for the acquisition of required spare parts.

Management Response

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Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
9	MINUSCA should prioritize the construction of transport workshops in the three sector headquarters, including all necessary facilities to ensure adequate repair and maintenance services of vehicle fleet in the sectors.	Important	Yes	Chief Transport Officer/Chief Engineering Officer	31/12/2017	Engineering section has been engaged to prioritize the construction of all regional workshops in the sectors. Progress report will be available in December 2017.
10	MINUSCA should implement adequate inventory management controls to safeguard and account for spare parts including; (a) correcting the wrong codification of spare parts in Galileo records; (b) taking appropriate actions to write-off obsolete spare parts; and (c) carrying out regular physical checks of vehicle spare parts and tools.	Important	Yes	Chief Transport Officer	31/08/2017	The Mission is in the process of transitioning from Galileo to Umoja, where the correct codification and write-off will be achieved with the launching of Umoja.