



INTERNAL AUDIT DIVISION

REPORT 2018/090

Audit of the operation and maintenance of non-expendable property in the United Nations Support Office in Somalia and United Nations Assistance Mission in Somalia

Coordination and communication needed improvement to ensure full utilization of non-expendable property

2 October 2018
Assignment No. AP2018/638/02

Audit of the operation and maintenance of non-expendable property in the United Nations Support Office in Somalia and United Nations Assistance Mission in Somalia

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the operation and maintenance of non-expendable property in the United Nations Support Office in Somalia (UNSOS) and United Nations Assistance Mission in Somalia (UNSOM). The objective of the audit was to assess the efficiency and effectiveness of the operation and maintenance of non-expendable property in UNSOS and UNSOM. The audit covered the period from January 2016 to December 2017 and included the following key aspects of property management: utilization of property; maintenance of property and compliance with relevant contract provisions; physical verification and reconciliation; assessment of property condition and impairment testing; and record management.

UNSOS established adequate controls over physical verification of non-expendable property and assessment of property conditions and impairment reviews. However, several property items such as cranes, forklifts and vehicles were not efficiently utilized due to inadequate coordination within UNSOS, and the maintenance for some equipment was not timely conducted.

OIOS made three recommendations. To address issues identified in the audit, UNSOS needed to:

- Improve coordination and communication on the status of non-expendable property between service delivery units and bases in a timely manner to ensure full utilization of the property;
- Monitor timely maintenance of vehicles and other equipment and ensure availability of spare parts; and
- Clarify the service and payment terms in the contract for the maintenance of vehicle and marine equipment in Somalia and enforce the agreed payment terms on hourly rates for skilled and unskilled labour.

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

CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	1-2
III. AUDIT RESULTS	2-7
Operation and maintenance activities	2-7
IV. ACKNOWLEDGEMENT	7
ANNEX I Status of audit recommendations	
APPENDIX I Management response	

Audit of the operation and maintenance of non-expendable property in the United Nations Support Office in Somalia and United Nations Assistance Mission in Somalia

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the operation and maintenance of non-expendable property in the United Nations Support Office in Somalia (UNSOS) and the United Nations Assistance Mission in Somalia (UNSOM).
2. Property of the United Nations represents significant investment by the Organization, and to deliver on their mandates, property needs to be operated and maintained effectively and efficiently.
3. As at 31 December 2017, UNSOS and UNSOM had 28,721 and 2,914 items of non-expendable property totaling \$221 million and \$24 million respectively, as shown in Table 1.

Table 1: Non-expendable property of UNSOS and UNSOM as at 31 December 2017

Category	UNSOS	UNSOM	Total
(a) Engineering	\$94,610,884	\$7,363,433	\$101,974,317
(b) Transport and machinery	\$66,758,140	\$10,377,525	\$77,135,665
(c) Life support	\$5,370,935	\$499,713	\$5,870,648
(d) Medical	\$2,235,188	-	\$2,235,188
(e) Information technology infrastructure	\$52,049,353	\$5,664,547	\$57,713,900
Total	\$221,024,500	\$23,905,218	\$244,929,718

4. UNSOS manages the property of both UNSOM and UNSOS. Within UNSOS, technical units are responsible for issuing, maintaining and keeping records of the property. These technical units include the Integrated Transport Services (ITS), the Facilities and Environment Management Services (FEMS), the Vehicle, Plant and Equipment Maintenance Services (VPEMS), the Life Support Section, the Medical Services Section (MSS), the Infrastructure Design and Implementation Services (IDIS) and the Field Technology Services (FTS). The Property Management Unit (PMU) under the supply chain management pillar is responsible for property oversight functions including physical verification of property.
5. PMU, led by a chief at P-4 level, had 16 authorized posts comprising 7 international and 9 national staff. The approved staffing cost of the PMU was \$1.8 million for the financial year 2017/18.
6. Comments provided by UNSOS are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the efficiency and effectiveness of the operation and maintenance of non-expendable property in UNSOS and UNSOM.
8. This audit was included in the 2018 risk-based work plan of OIOS due to the operational and financial risks associated with the operation and maintenance of non-expendable property in UNSOS and UNSOM.
9. OIOS conducted this audit from January to August 2018. The audit covered the period from January 2016 to December 2017. Based on an activity-level risk assessment, the audit covered higher and medium

risk areas in the operation and maintenance of non-expendable property, which included: utilization of property; maintenance of property; compliance with relevant contract provisions; physical verification and reconciliation; assessment of property condition and impairment testing; and record management.

10. The audit methodology included: (a) interviews of key personnel; (b) reviews of relevant documentation; (c) analytical reviews of data; and (d) sample testing of non-expendable property items and their records.

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

III. AUDIT RESULTS

Operation and maintenance activities

Some equipment was not fully utilized due to inadequate information sharing and coordination

12. The Departments of Peacekeeping Operations and Field Support (DPKO/DFS) Property Management Manual requires UNSOS to ensure the fullest utilization of their property.

13. Physical inspections of property and review of relevant documentation indicated that some equipment were not adequately utilized, as follows:

- A mobile crane purchased by ITS in November 2010 at a cost \$904,845 with a Net Book Value (NBV) of \$211,940 for use in Mogadishu has never been used. In March 2013, ITS shipped the crane from Mogadishu to the Mombasa Support Base (MSB) in Kenya at a cost of \$14,343 where it was also never used and in April 2016 the crane was shipped back to Mogadishu at a cost of \$12,141. In addition, from 2014 to 2017, another technical unit, IDIS, spent \$132,240 to rent a similar crane to perform work in Mogadishu, although UNSOS still had the crane that ITS purchased in 2010. IDIS indicated that the crane purchased by ITS was not operational, while ITS advised that the crane was operational but did not have an operator. An operator was recruited on 19 April 2018 and at the time of the audit, the crane was being repaired at the ITS yard in Mogadishu, Somalia by a contractor.
- A forklift costing \$339,088 (NBV \$153,174) was transferred by ITS from Mogadishu to MSB but had not been used since arriving at the Base on 12 March 2014. At the same time, MSB was also hiring a crane at a cost of \$13,000 per month for the same functions as the forklift. MSB indicated that the forklift shipped by ITS from Mogadishu was faulty and could not be used. However, VPEMS in Mogadishu, responsible for the repair of the forklift, was not aware that the equipment was faulty before it was shipped to MSB. The freight cost for the forklift from Mogadishu to MSB was \$18,408. Also, in January 2018, two contracted technicians travelled from Mogadishu to MSB to carry out electrical repairs on the forklift at a cost \$8,121. At the time of the audit, the forklift remained unused because it still needed six tyres estimated at \$9,600. MSB initiated the procurement process for the tyres on 31 May 2018.
- A forklift costing \$66,815 (NBV \$57,071) at MSB had not been used since its arrival on 13 August 2017. This was despite the forklift being fully operational. The forklift, which belonged to ITS in Mogadishu, was transferred to MSB. MSB stated that ITS in Mogadishu shipped the wrong type of forklift and they had informed ITS. However, no action had been taken and there was no evidence that the MSB had informed ITS.

- A 75 kilovolt-amperes generator in Nairobi purchased by IDIS in 2013 at a cost of \$20,685 had never been used. IDIS indicated that it was a back-up generator for the servers of FTS in the UNSOS data centre. However, FTS moved its servers in February 2017, without informing IDIS or FEMS (responsible for operating the generators) that the data centre was no longer being used.
- Two forklifts assigned to MSB costing \$72,447 (NBV \$15,653) each had not been used since arrival in 2014. MSB indicated that the forklifts arrived at MSB faulty and that they have repeatedly informed ITS in Mogadishu of this through their monthly equipment status reports but no action was taken. MSB further stated that the two forklifts have been earmarked for write-off. However, there was no evidence that ITS had commissioned or conducted a technical inspection as part of the write-off process.
- Four vans procured between 2007 and 2009 with a total cost of \$70,195 (NBV \$11,850) and assigned to MSB had not been used for between two to four months as at April 2018. According to ITS at MSB, this was because they had received nine newly procured vehicles in January 2018, while three of the four vans were now surplus and earmarked for write-off and the remaining one needed repairs. However, there was no evidence that ITS had commissioned or conducted a technical inspection as part of the write-off process.

14. The above happened because of inadequate information sharing on the status of equipment between the different technical units and operating bases. Under the service delivery management pillar, the assignment of vehicles and surface equipment was done by ITS, the assignment and operation of engineering and life support equipment was by IDIS and FEMS respectively, and responsibility for the maintenance of engineering, transport and machinery, and life support equipment was by VPEMS. There was very little information sharing on the status of equipment among the various units to assign, operate and maintain the equipment. As a result, scarce financial resources of the Organization were not efficiently utilized.

(1) UNSOS should take action to ensure information on the status of property between service delivery units and bases is communicated in a timely manner. UNSOS should also: (a) repair the forklift at the Mombasa Support Base and terminate the lease of the hired crane costing \$13,000 per month; and (ii) initiate the disposal process for all equipment earmarked for write-off.

UNSOS accepted recommendation 1 and stated that the forklift would be made operational, and that the lease for the hired crane would be terminated. UNSOS would also facilitate the write-off and disposal process for all relevant equipment. Recommendation 1 remains open pending the receipt of evidence of the actions taken to ensure timely communication between the units and bases, and the forklift has been put into use, the lease contract has been terminated, and the written-off equipment has been disposed.

There was a need to maintain property in accordance with UNSOS and manufacturers' recommendations

15. The DPKO/DFS Property Management Manual requires UNSOS to: (a) develop maintenance procedures that consider the environment that property operates in and manufacturers' recommendations; (b) regularly compare the cost of purchasing replacement property versus the cost of maintaining the property beyond its useful life; and (c) assure that property in use beyond its expected useful life does not pose any safety, environmental or security risk. The DPKO/DFS Manual on Surface Transport Management in the Field requires UNSOS to ensure that equipment tests are conducted by qualified persons in accordance with manufacturers' recommendations.

16. UNSOS had established contracts with contractors for the maintenance of equipment and had adequate standard operating procedures for the maintenance of property that considered relevant factors including the operating environment and manufacturers' recommendations. For instance, because of harsh environmental conditions, vehicles in Somalia were required to be maintained more regularly than the ones operating in Kenya. Also, UNSOS regularly compared the cost of purchasing replacement property against the cost of maintaining property beyond its useful life prior to making maintenance decisions. For example, in 2016 and 2017, 102 trucks, light vehicles, caterpillars and other equipment were written off because the cost of repair totalling \$4.3 million was more than their NBV of \$3.1 million. Also, the useful life of eight vehicles were extended in 2017 to 2020 based on an analysis of their current mechanical condition and scheduled preventive maintenance.

17. However, some vehicles and transport equipment were not properly maintained in a timely manner. For example, two vans with 6,081 kilometres and 5,165 kilometres respectively on the odometer were due maintenance at 5,000 kilometres but had not been maintained, and a forklift was due category C maintenance at 2,500 hours, but only category A maintenance was carried out after 3,000 hours. This was because UNSOS used a trip ticket system based on data manually entered by users to monitor vehicle and equipment operational parameters to determine when vehicles and equipment were due for maintenance. However, users did not regularly complete trip tickets. Out of 473 transport equipment in Somalia in 2016 and 2017, trip tickets were only collected on average for 145 (31 per cent) in 2016 and 195 (41 per cent) in 2017. This was due to a lack of users' awareness on the importance of completing trip tickets and the inconsistent application of the control to ensure compliance.

18. In addition, due to a shortage of spare parts, 114 out of 564 vehicles, boats and machine handling equipment in Somalia were not in use for periods ranging from one to nine months as at 31 December 2017. The lack of spare parts resulted from inadequate acquisition planning by UNSOS. Spare parts were supposed to be procured on an annual basis through global system contracts but UNSOS only initiated the procurement process for the financial year 2017/18 in September 2017. To address the acute shortage of operational transport and machinery equipment caused by the lack of spare parts, in September 2017, the Procurement Section resorted to procuring spare parts at a cost of \$641,439 through local contracts, which was 89 per cent more expensive than \$339,386 if procured through global systems contracts. Also, due to poor contracts management, contracts for the maintenance of vehicles and equipment in Kenya had expired in December 2017, resulting in delays in the maintenance of vehicles and equipment. OIOS noted that the procurement of a new contract for the maintenance of equipment in Kenya was recently completed during the audit period.

19. In addition, some medical equipment were not properly maintained. As at December 2017, there were 75 items of medical equipment costing \$662,539 (NBV \$101,500) that were not functioning properly due to lack of spare parts and inadequate budgetary allocation to establish a maintenance contract or recruit an in-house bio-technician to conduct routine and regular maintenance on medical equipment.

20. Failure to maintain property negatively affects operational performance and increases repair costs and safety hazards.

(2) UNSOS should: (a) regularly sensitize users on the importance of completing trip tickets and ensure that all vehicles and equipment have trip tickets in them for timely maintenance; (b) initiate the procurement of spare parts in a timely manner; and (c) expedite the allocation of resources to recruit a bio-technician and/or establish a contract for the maintenance of medical equipment.

UNSOS accepted recommendation 2 and stated that a Carlog system would be implemented upon identification of a new supplier with a new system contract. Also, it established imprest and petty cash accounts for sectors to expedite the procurement of low value spare parts. In addition, the recruitment of a bio-technician under the existing contract with UNSOS medical services provider was underway. Recommendation 2 remains open pending the receipt of evidence that UNSOS put in place effective measures to sensitize users and monitor timely maintenance of vehicles, either through trip tickets or a Carlog system, spare parts are made available in a timely manner and medical equipment is properly maintained.

There was a need to clarify contract terms for maintenance of vehicles and marine equipment in Somalia

21. The contract for vehicle and marine maintenance in Somalia between UNSOS and the contractor, effective 1 May 2016, stipulated the following four service levels and fixed rates: (a) \$134 for level 1 for minor repairs and fluid replacement; (b) \$1,039 for level 2 for medium repairs and replacement of major assemblies; (c) \$2,345 for level 3 for overhaul of vehicle components; and (d) \$11,223 for level 4 for complete removal of vehicle components from vehicle frame.

22. Contrary to the contract, the contractor was billing UNSOS for maintenance work based on an hourly rate of \$67 as opposed to service level rates specified in the contract. The hourly rate used by the contractor was the rate for skilled labour in its bidding documents. The bidding documents also specified a rate of \$3 per hour for unskilled labour but this rate was never used by the contractor for actual billings. A comparative analysis by VPEMS of all 24 work orders and invoices in June 2017 for a location in Somalia indicated that the Organization paid \$20,485 for maintenance work based on the hourly rate of \$67 per hour as opposed to service level rates which would have cost \$18,364 - an excess of \$2,121 or 12 per cent. UNSOS was billed about \$10.8 million by the contractor for maintenance services in 2016 and 2017 using the rate of \$67 per hour – a possible excess of \$1.2 million.

23. VPEMS indicated that there have been disagreements between UNSOS and the contractor since the inception of the contract in May 2016 on the exact level of maintenance on certain work orders where required tasks were not clearly aligned with tasks prescribed under each service level. According to VPEMS, the contractor insisted that billing should be based on hours rather than service levels and that all its labour was skilled. However, there was no evidence that UNSOS formally agreed to the contractor's position. OIOS noted that effective October 2017, VPEMS was routinely monitoring the hours billed for each task by the contractor with resultant reduction in hours billed by the contractor for tasks.

24. The disagreement occurred because the statement of requirement prepared by the Procurement Section during the bidding exercise did not adequately delineate the types of maintenance work required under each service level. For example, there was no clear delineation between what was a minor repair at a rate of \$134 under service level 1 and a medium repair at a rate of \$1,039 under service level 2.

25. As a result, UNSOS was paying higher fees for tasks carried out, consequently wasting resources.

(3) UNSOS should clarify the service and payment terms in the contract for the maintenance of vehicle and marine equipment in Somalia and enforce the agreed payment terms on hourly rates for skilled and unskilled labour.

UNSOS accepted recommendation 3 and stated that UNSOS was implementing the contract in accordance with the stipulated terms and conditions as agreed between UNSOS and the contractor. UNSOS further stated that a new contract would be established by 30 April 2019. Recommendation 3 remains open pending receipt of a sample of payment records to the contractor evidencing accurate payments in accordance with the agreed payment terms.

Physical verification was conducted and actions were taken to improve record keeping

26. The DPKO/DFS Property Management Manual and the Fixed Asset Management Framework Manual require UNSOS to: (a) have a fixed asset physical verification plan; (b) ensure that physical verification is conducted annually; and (c) reconcile discrepancies and update records. UNSOS and UNSOM are required to maintain pertinent records on property including cost centre, physical location, control, custody, dates and schedules of maintenance and status of property in operations.

27. PMU conducted the required physical verification and identified several discrepancies on the location, user and status of property. These discrepancies were reconciled and records were adjusted. OIOS concluded that UNSOS conducted physical verification of non-expendable properties as required.

28. UNSOS generally kept all relevant records on its FTS and MSS equipment. However, UNSOS did not maintain records on the maintenance dates and schedules for engineering, supply and ITS equipment but relied on records kept by the contractors responsible for maintaining the equipment. This was due to inadequate staffing resources in VPMS that was tasked to oversee the maintenance of these equipment. During the audit, UNSOS took steps to improve the observed weaknesses by allocating resources to keep the records of maintenance dates and schedules for all property, training personnel and updating the inventory management profile. Based on the actions taken, OIOS is not making a recommendation on this issue.

Procedures for assigning and tracking property were complied with

29. The DPKO/DFS Property Management Manual stipulates that all property issued from warehouses be assigned to a custodian and location for tracking purposes. The administrative instruction on property management stipulates that assigned property be returned upon the staff's separation from service or reassignment or transfer to another department/office.

30. A review of property assignment documents for 120 items with a unit cost above \$5,000, costing \$18.5 million out of 6,442 items costing \$214.8 million, indicated that all transactions were conducted in accordance with established procedures. OIOS concluded that UNSOS had adequate and effective controls to comply with established procedures for assigning and tracking property.

Quality reviews after maintenance work and impairment reviews were conducted as required

31. The DPKO/DFS Property Management Manual and the Fixed Asset Management Framework Manual require UNSOS and UNSOM to conduct a quality review after maintenance work and determine remaining useful life of property. Also, UNSOS is required to establish an impairment review programme that identifies indications of impairment to property and consider operational alternatives including status quo, repair, counteract or replacement. The programme should test the condition of all computer and

information technology equipment, vehicles, machinery and equipment, furniture and fittings with NBV above \$25,000 and all capitalized property irrespective of the NBV when there are indications of impairments such as accident or natural disaster.

32. UNSOS established adequate quality review procedures after maintenance of property and regularly conducted quality reviews after completion of maintenance work. VPEMS issued periodic task and work orders that specified performance requirements including acceptance criteria, key performance indicators and quality control requirements. Upon completion of maintenance work on transport, engineering and life support equipment and machinery, the contractor's technicians inspected and reported to VPEMS on the quality of work done. This was followed by a visual and operational worthiness inspection by VPEMS technicians and corrective action taken, if necessary. Technical experts in ITS and IDIS also conducted ongoing reviews of quality and remaining useful life after completion of maintenance work. A review of task and work order sheets, and work summary sheets showed that contractors were not paid until after satisfactory quality inspection by UNSOS's technical staff.

33. UNSOS contractors tested and reported on the condition of engineering, medical and information technology equipment as required. In addition, VPEMS tested the condition of vehicles and machinery during issue/handover and after each maintenance, and ITS conducted the testing. PMU also reported on the condition of equipment following physical verification exercises in 2016 and 2017. Pursuant to the testing, experts in the respective property units and contractors conducted impairment reviews, for example, adjusting the useful life of 102 items with a NBV of about \$3 million. OIOS concluded that UNSOS carried out quality reviews after maintenance works, testing of property conditions and impairment reviews as required.

IV. ACKNOWLEDGEMENT

34. OIOS wishes to express its appreciation to the management and staff of UNSOS and UNSOM 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 the operation and maintenance of non-expendable property in the United Nations Support Office in Somalia and United Nations Assistance Mission in Somalia

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNSOS should take action to ensure information on the status of property between service delivery units and bases is communicated in a timely manner. UNSOS should also: (a) repair the forklift at the Mombasa Support Base and terminate the lease of the hired crane costing \$13,000 per month; and (ii) initiate the disposal process for all equipment earmarked for write-off.	Important	O	Receipt of evidence of the actions taken to ensure timely communication between the units and bases, the forklift being put in to use, the lease contract being terminated, and the written-off equipment being disposed.	30 April 2019
2	UNSOS should: (a) regularly sensitize users on the importance of completing trip tickets and ensure that all vehicles and equipment have trip tickets in them for timely maintenance; (b) initiate the procurement of spare parts in a timely manner; and (c) expedite the allocation of resources to recruit a bio-technician and/or establish a contract for the maintenance of medical equipment.	Important	O	Receipt of evidence that UNSOS put in place effective measures to sensitize users and monitor timely maintenance of vehicles, either through trip tickets or a Carlog system, spare parts are made available in a timely manner and medical equipment is properly maintained.	30 June 2019
3	UNSOS should clarify the service and payment terms in the contract for the maintenance of vehicle and marine equipment in Somalia and enforce the agreed payment terms on hourly rates for skilled and unskilled labour.	Important	O	Receipt of a sample of payment records to the contractor evidencing accurate payments in accordance with the agreed payment terms.	30 April 2019

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 UNSOS in response to recommendations.

APPENDIX I

Management Response



Interoffice Memorandum

To: Daeyoung Park, Chief
Peacekeeping Audit Service
Internal Audit Division, OIOS

Ref: UNSOS/0918/M054

From: Amadu Kamara, Director
UNSO

Date: 24 September 2018

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UNSO

Subject: UNSO Response – Draft Report Audit of the operations and maintenance of non-expendable property in UNSOS and UNSOM (Assignment No. AP2018/638/02)

1. Further to your memorandum of 18 September 2018 Reference IAD: OIOS-2018-638-12, please find attached UNSOS response to the above-mentioned subject.
2. We thank you for your continued support to the work of UNSOS.

Best regards.

cc: Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS
Mr. Abdinasir Issa, Acting Chief Resident Auditor, UNSOS, Internal Audit Division, OIOS
Mr. Harjit Dhindsa, Deputy Director, UNSOS
Mr. Clark Toes, Chief Service Delivery, UNSOS
Mr. Herbert Pechek, Chief, Supply Chain Management, UNSOS
Mr. Dolapo Kuteyi, Senior Administrative Officer, UNSOS
Ms. Victoria Di Domenico, Field Coordination Officer, Office of the Chief of Staff, UNSOM
Ms. Rosalie Piezas, Chief, Risk Management and Audit Response, UNSOS
Mr. Fabio Mevoli, Chief, Property Management Unit, UNSOS

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AUDIT RECOMMENDATIONS

Audit of the operations and maintenance of non-expendable property in UNSOS and UNSOM

Rec. no.	Recommendation	Critical/ ¹ Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNSOS should take action to ensure information on the status of property between service delivery units and bases are communicated in a timely manner. UNSOS should also: (a) repair the forklift at the Mombasa Support Base and terminate the lease of the hired crane costing \$13,000 per month; and (ii) initiate the disposal process for all equipment earmarked for write-off.	Important	Yes	Chief Transport Section / Centralized Warehousing.	30 April 2019	Management will ensure that the forklift will be made operational, and that the lease for the hired crane will be terminated. Management will also facilitate the write-off and disposal process for all relevant equipment.
2	UNSOS should: (i) regularly sensitize users on the importance of completing trip tickets and ensure that all vehicles and equipment have trip tickets in them; (ii) initiate the procurement of spare parts in a timely manner; and (iii) expedite the allocation of resources to recruit a bio-technician and/or establish a contract for the maintenance of medical equipment.	Important	Yes	Chief Transport Section and Medical	30 June 2019	(i) To improve UNSOS fleet management, based upon the outcome of a cost-benefit analysis to be undertaken, Management plans to implement CARLOG once the new UNHQ system contract is in place and a new supplier has been identified. (ii) The mission has established imprest and petty cash accounts in the sectors to expedite the procurement of low value spare parts. (ii) UN Procurement Division has received CVs for engagement of the Electro-Medical Technician (Bio-

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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.

AUDIT RECOMMENDATIONS

Audit of the operations and maintenance of non-expendable property in UNSOS and UNSOM

Rec. no.	Recommendation	Critical/ Important	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						Technician) which will be incorporated into the existing contract with the UNSOS medical services provider.
3	UNSOS should clarify the different service levels in the contract for the maintenance of vehicle and marine equipment in Somalia and enforce the agreed payment terms on hourly rates for skilled and unskilled labour and if necessary amend the payment terms.	Important	Yes	Chief Transport/ Procurement Section	30 April 2019	UNSOS is implementing the contract in accordance with the stipulated Terms and Conditions as agreed by the Mission and the Contractor. A new contract to replace the existing contract will be established by 30 April 2019.