



INTERNAL AUDIT DIVISION

REPORT 2016/154

Audit of facilities management in the
United Nations Interim Force in
Lebanon

Facilities management needed to be
strengthened by conducting required
preventive maintenance inspections and
monitoring timeliness of service delivery

12 December 2016
Assignment No. AP2016/672/06

Audit of facilities management in the United Nations Interim Force in Lebanon

EXECUTIVE SUMMARY

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over facilities management in the United Nations Interim Force in Lebanon (UNIFIL). The audit covered the period from 1 January 2015 to 30 June 2016 and it included the use of land, planning of preventive maintenance and management of service requests.

UNIFIL implemented adequate controls over the use the land provided for its operation, in accordance with relevant agreements. The Mission regularly conducted preventive maintenance inspections for sectors and some headquarters facilities. However, due to weaknesses in planning, the Mission did not conduct preventive maintenance inspections at headquarters offices and workshops and for air conditioners, which could result in costly repairs or safety problems. The supervision and time management of service delivery on repairs and maintenance requests needed improvement.

OIOS made two important recommendations. To address issues identified in the audit, UNIFIL needed to:

- Develop regular preventive maintenance inspection plans to inspect facilities and detect maintenance requirements in a timely manner and prepare after-inspection reports to capture and follow up on maintenance requirements; and
- Strengthen planning, tasking and supervision of facilities maintenance and repairs and properly capture, track and report on the status of service requests in the i-Need system.

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

CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	1
III. OVERALL CONCLUSION	2
IV. AUDIT RESULTS	2-5
A. Use of land	2
B. Planning of preventive maintenance	3-4
C. Management of service requests	4-5
V. ACKNOWLEDGEMENT	5
 ANNEX I Status of audit recommendations	
 APPENDIX I Management response	

Audit of facilities management in the United Nations Interim Force in Lebanon

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of facilities management in the United Nations Interim Force in Lebanon (UNIFIL).
2. The UNIFIL standard operating procedures (SOP) on Engineering Policy and Guidance and SOP on Facilities Management and Sector Support guide facilities management activities in the Mission. UNIFIL facilities comprise 1,576 prefabricated buildings, 920 solid buildings and 2,250 infrastructure items as well as asphalt roads and parking areas.
3. UNIFIL's Deputy Chief Engineer of the Engineering Support Section (ESS), at P-4 level, is responsible for overseeing facilities management. Two units within ESS report to the Deputy Chief Engineer. The Headquarters Facilities and Events Management Unit is responsible for management of buildings and facilities in UNIFIL Naqoura headquarters. This Unit is headed by a chief at P-3 level and has 33 national staff. The Sector Support Unit is responsible for facilities maintenance in the two UNIFIL sectors. This Unit is headed by a chief at the National Professional Officer level and has two international and 41 national staff. The Force Headquarters Support Unit (FHQSU) and two Force Protection Units of the military pillar with 50 and 300 personnel respectively, are also involved with facilities management.
4. The budget for facilities management for the financial year 2015/16 consisted of staffing and operational costs of \$4.8 million and \$1 million respectively.
5. Comments provided by UNIFIL are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over facilities management in UNIFIL.
7. This audit was included in the 2016 risk-based work plan of OIOS due to the operational and financial risks relating to facilities management.
8. OIOS conducted this audit from June to September 2016. The audit covered the period from 1 January 2015 to 30 June 2016. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the facilities management activities, which included use of land, planning of preventive maintenance and management of service requests.
9. The audit methodology included: (a) interviews of key personnel; (b) reviews of relevant documentation; (c) analytical reviews of data and testing; and (d) field visits and physical observation.

III. OVERALL CONCLUSION

10. UNIFIL established adequate controls over the use of land for camps as agreed with the host Government and conducted preventive maintenance inspections for sectors and some headquarters facilities. However, there was a need to: (i) plan and report on preventive maintenance inspections for headquarters' offices, workshops and air conditioners; and (ii) strengthen planning, tasking, tracking, supervising and monitoring of the time spent on fulfilling requests for repairs and maintenance.

IV. AUDIT RESULTS

A. Use of land

Land for UNIFIL positions was used in accordance with relevant agreements

11. The Status of Forces Agreement, the Memorandum of Understanding (MOU) on construction of buildings and related fixture, and the protocol between UNIFIL and the host Government require the Government to provide land for UNIFIL positions free of charge. Only the Government may engage in a relationship with landowners and is responsible for any financial compensation. A review of records on 7 out of 51 active UNIFIL positions indicated that approved maps were available indicating boundaries and landowners involved. The Mission requested the Government to resolve all cases of potential legal and financial exposures due to construction of buildings and facilities with landowners. Closed positions were handed over to the Government with a mutually signed agreement releasing UNIFIL from any liability, as required. OIOS concluded that UNIFIL had effective controls to use the land provided for its operations in accordance with relevant agreements.

B. Planning of preventive maintenance

Preventive inspections were conducted for sectors but not for headquarters' offices and workshops

12. UNIFIL SOP on Engineering Policy and Guidance requires annual scheduled inspections to be carried out to detect maintenance and safety requirements early to prolong the useful life of buildings and facilities at minimum costs.

13. A review of Mission records and field visits to 7 out of 51 positions showed that the Sector Support Unit of ESS was part of the contingent-owned equipment (COE) inspection team and carried out preventive maintenance inspections in the sectors during quarterly COE inspections.

14. A review of inspection records for two months for the Naqoura headquarters indicated that FHQSU in close coordination with ESS carried out inspections of: ablution facilities in staff officers' block weekly, security equipment bi-weekly, and staff officers' accommodation, comprising 215 rooms, annually. OIOS observed part of the inspection and noted that the Unit identified deficiencies and reported them to ESS for corrective actions. Force Protection Units carried out shelter inspections every month. ESS inspected contingent accommodations in Naqoura Headquarters during the COE inspections. Also, ESS performed regular checks on electrical installments as well as annual impairment reviews on 25 items of real estate that were valued above \$500,000 each. Further, UNIFIL had implemented weekly joint headquarters inspection patrols led by the Deputy Director of Mission Support, comprising ESS, FHQSU and the Environmental Management Unit, for ablutions, shelters, common areas, garbage collection points and roads.

15. However, there were no inspection plans to ensure that all facilities were inspected at the required frequencies. For example, ESS did not have a preventive inspection plan for offices, workshops and air conditioners, which were supposed to be inspected annually. Instead, ESS relied on repair requests by occupants to highlight maintenance requirements, citing staffing shortage due to abolishment of 18 posts in the financial year 2014/15. Also, after-inspection reports were not prepared for other facilities inspected outlining the results and maintenance requirements identified.

16. In addition, FHQSU and Force Protection Units were conducting inspections of shelters and ablutions more frequently than required and appeared to have excess capacity that the Mission could have utilized for preventive inspections for offices and workshops once a year.

17. The above occurred because there was no requirement for ESS to plan and execute periodic preventive inspection plans for all facilities and prepare after-inspection reports in coordination with FHQSU and Force Protection Units. This could result in inability to identify maintenance requirements at an early stage leading to costly repairs or unsuitable facilities.

(1) UNIFIL should establish and implement procedures for its Engineering Support Section to prepare: (i) regular preventive maintenance inspection plans in coordination with Force Headquarters Support Unit and Force Protection Unit to inspect all facilities, offices and workshops and detect maintenance requirements in a timely manner; and (ii) after-inspection reports to capture and follow up on maintenance requirements.

UNIFIL accepted recommendation 1 and stated that ESS would prepare a detailed inspection plan including timelines and checklists for annual inspections of facilities that current joint inspection plans do not cover, and use the results for following up and executing required maintenance works on priority basis. Recommendation 1 remains open pending receipt of procedures for planning regular inspections of all facilities and preparing after-inspection reports on follow-up actions.

Mission took steps to better integrate civilian and military capacity for facilities management

18. The UNIFIL SOP on Engineering Policy and Guidance requires the workforce to be fully integrated comprising military and civilian engineering personnel. The COE Manual states that missions or troop-contributing countries were responsible for minor engineering, such as minor repairs to electrical, plumbing and water systems, depending on the self-sustainment clauses in the MOUs.

19. A review of the results-based budget and work plan of ESS for the financial years 2014/15 and 2015/16 indicated that ESS is responsible for managing facilities at all contingent camps. However, these documents did not mention the presence of engineering capacity within UNIFIL contingents. In addition to ESS, UNIFIL had military personnel performing facilities management responsibilities. For example, 22 out of 50 military engineers of contingent A performed minor engineering and some maintenance works on their accommodation, in coordination with the Sector Support Unit of ESS. Engineers in contingent B serviced not only its own facilities but also United Nations-owned accommodations, with ESS facilitating the procurement of materials.

20. However, ESS did not develop a plan to use these resources more effectively to enable it to compensate for the reduction of 18 posts in the financial year 2014/15. This was because the Mission took a fragmented approach to manage its facilities without fully considering both civilian and military capacity. As a result, the Mission was not utilizing its resources efficiently to meet the requirements of facilities management. During the audit, UNIFIL took steps to better integrate civilian and military capacities, including revising the ESS work plan for the Section to coordinate facilities management

activities with military components. In light of the actions taken, OIOS did not make a recommendation on this issue.

C. Management of service requests

Management of service requests needed improvement

21. The UNIFIL SOP on Facilities Management and Sector Support require the Facilities Management Unit to provide high quality maintenance support, in a timely manner, without disrupting UNIFIL operations. The Chief of the Unit is to prioritize and approve incoming service requests in the e-Request system. Assigned supervisors are responsible for tasking technicians and, upon completion of the works, inspecting and closing the corresponding requests. All subunits are to prepare weekly reports, including progress of all assigned works.

22. As the Facilities Management Unit had not established target completion timeframes for service requests, OIOS categorized closed service requests into less than 10 days, between 10 and 30 days and more than 30 days of receipt. A review of all 1,055 recorded and closed requests for 2015 and 2016 showed that it took more than 10 days to complete repairs for 449 or 42 per cent of service requests, including 215 or 20 per cent that took more than 30 days, as shown in Table 1. The Unit did not have a monitoring mechanism to analyze and determine whether the time taken to close a service request was reasonable.

Table 1: Completion time to close e-Requests

ESS Units	Closed within 10 days		Closed between 10 and 30 days		Closed after more than 30 days		Unit total	Unit percentage
	Number	%	Number	%	Number	%		
Generator Unit	16	64%	5	20%	4	16%	25	2%
Electrical Unit	83	37%	60	27%	80	36%	223	21%
HVAC* Unit	67	58%	33	28%	16	14%	116	11%
Headquarters Facilities and Events Management Unit	375	77%	76	16%	37	8%	488	46%
Sector Support Unit	65	32%	60	30%	78	38%	203	19%
Total ESS	606	58%	234	22%	215	20%	1,055	100%

* Heat, Ventilation and Air Conditioning

23. In addition, interviews with five supervisors indicated that foremen in workshops, instead of supervisors, were tasking technicians to work on requests and when completed, closing them in the e-Request system. The results of interviews also indicated that there was no structured supervision on prioritization and tasking of incoming requests and supervisors did not carry out formal inspections upon completion of the related works. The required weekly reports were only prepared on major projects.

24. ESS stated that abolishment of 18 (consisting 10 Field Service supervisors and 8 General Service staff) posts in the financial year 2014/15 limited its planning, supervising and reporting capacity. However, OIOS assessment is that the above happened because ESS had not provided adequate guidance to its staff to plan, prioritize, task, report and manage service requests with the current staffing level, as there were no plans to regain these posts. As at end of August 2016, ESS had implemented the i-Need system, replacing the e-Request system which had limited management functionalities. Despite the implementation of i-Need, ESS had not yet put in place adequate guidance to its staff to utilize the system to capture, track and report on the status of service requests.

25. Delays in completing service requests for facilities maintenance and repairs may disrupt the Mission's operations. For example, renovation work on accommodation and ablutions at a contingent location that started in February 2016 were still not complete as at July 2016, impeding the ability of the contingent performing its operations effectively.

(2) UNIFIL should develop and implement adequate guidance, including target service completion timeframe, to: (i) strengthen planning, tasking and supervision of facilities maintenance and repairs; and (ii) properly capture, track and report on the status of service requests in the i-Need system.

UNIFIL accepted recommendation 2 and stated that maintenance and rehabilitation works were planned and supervised according to the complexity of the required works. They were captured and tracked on i-Need and the complete report, including materials used and time taken, could be uploaded as an audit trail. ESS would issue an official instruction for supervisors to inspect all major rehabilitation works and include closing remarks in the i-Need system. Recommendation 2 remains open pending receipt of approved instructions indicating requirements for proper recording, inspection and reporting on service requests.

V. ACKNOWLEDGEMENT

26. OIOS wishes to express its appreciation to the management and staff of UNIFIL 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 facilities management in the United Nations Interim Force in Lebanon

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1.	UNIFIL should establish and implement procedures for its Engineering Support Section to prepare: (i) regular preventive maintenance inspection plans in coordination with Force Headquarters Support Unit and Force Protection Unit to inspect all facilities, offices and workshops and detect maintenance requirements in a timely manner; and (ii) after-inspection reports to capture and follow up on maintenance requirements.	Important	O	Submission of procedures for planning regular inspections of all facilities and preparing after-inspection reports on follow-up actions.	28 February 2017
2.	UNIFIL should develop and implement adequate guidance, including target service completion timeframe, to: (i) strengthen planning, tasking and supervision of facilities maintenance and repairs; and (ii) properly capture, track and report on the status of service requests in the i-Need system.	Important	O	Submission of approved instructions indicating requirements for proper recording, inspection and reporting on service requests.	28 February 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 UNIFIL in response to recommendations.

APPENDIX I

Management Response

Management Response

Audit of facilities management in the United Nations Interim Force in Lebanon

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1.	UNIFIL should establish and implement procedures for its Engineering Support Section to prepare: (i) regular preventive maintenance inspection plans in coordination with Force Headquarters Support Unit and Force Protection Unit to inspect all facilities, offices and workshops and detect maintenance requirements in a timely manner; and (ii) after-inspection reports to capture and follow up on maintenance requirements.	Important	Yes	Chief Engineering Support Services	28 February 2017	<p>(i) Engineering Support Section (ESS) is involved in several regular joint inspection plans, as follows:</p> <ul style="list-style-type: none"> a) Joint inspection with Force Headquarters Support Unit is done on monthly basis for ablutions, shelters and staff officers' accommodations; b) Joint inspection with Contingent Owned Equipment Unit is done on quarterly basis for contingent accommodations; c) In addition, ESS does its own inspection visits for identified buildings and infrastructure for major rehabilitation works; d) ESS will prepare a detailed inspection plan including a timeline and checklists for annual inspections of the workshops, warehouses, hangars, office accommodations and heat, ventilation and air conditioner equipment that are not covered in the joint inspections listed above. <p>(ii) The findings and reports of the above-listed inspections are used for following up and executing the required maintenance works on priority basis.</p>

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

Audit of facilities management in the United Nations Interim Force in Lebanon

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
2.	UNIFIL should develop and implement adequate guidance, including target service completion timeframe, to: (i) strengthen planning, tasking and supervision of facilities maintenance and repairs; and (ii) properly capture, track and report on the status of service requests in the i-Need system.	Important	Yes	Chief Engineering Support Services	28 February 2017	<p>(i) a) Minor maintenance works are prioritized by unit supervisors on i-Need itself and executed immediately. Supervision is done according to the complexity of required works.</p> <p>b) Major maintenance and rehabilitation works are done with proper planning including detailed drawings, schedules, etc., and under close supervision by respective expertise.</p> <p>(ii) All minor and major maintenance and rehabilitation works are captured and tracked including amount of material used and time taken in i-Need work order wise. The complete reports for all minor and major works, including materials used and time taken, could be uploaded from i-Need for audit trailing.</p> <p>(iii) In addition to the above, ESS will issue an official instruction for supervisors to inspect all major rehabilitation works and include closing remarks in i-Need for recording purpose.</p>