OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2014/127

Audit of air operations in the United Nations Assistance Mission for Iraq

Overall results relating to the effective management of air operations in the United Nations Assistance Mission for Iraq were initially assessed as partially satisfactory. Implementation of four important recommendations remains in progress

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

9 December 2014
Assignment No. AP2014/812/01

CONTENTS

AUDIT REPORT

Audit of air operations in the
United Nations Assistance Mission for Iraq

I.   BACKGROUND

1.   The Office of Internal Oversight Services (OIOS) conducted an audit of air operations in the United Nations Assistance Mission for Iraq (UNAMI).

2.   In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure: (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.

3.   The UNAMI Aviation Section was responsible for the supervision of aviation operations, aviation ground services, aviation contract management, and associated budget and administration. The Section was headed by the Chief Aviation Officer at the P-4 level, who reported to the Chief of Mission Support through the Chief of Technical Services. The Section had four units: Technical Compliance and Quality Assurance; Budget and Administration; Air Operations; and Movement Control Operations. The Section had 44 authorized posts, comprising 21 international and 23 national positions.

4.   The Mission had one fixed-wing and two rotary wing aircraft. During financial year 2013, UNAMI air assets transported 7,913 passengers and 167 tons of cargo. Aviation budgets for 2012 and 2013 were $25.6 million and $18.5 million respectively.

5.   Comments provided by UNAMI are incorporated in italics.

II.   OBJECTIVE AND SCOPE

6.   The audit was conducted to assess the adequacy and effectiveness of UNAMI governance, risk management and control processes in providing reasonable assurance regarding the **effective management of air operations in UNAMI**.

7.   The audit was included in the 2014 risk-based work plan of OIOS because of operational, safety, security and financial risks related to air operations.

8.   The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this key control as the one that provides reasonable assurance that policies and procedures: (a) exist to guide the management of air operations; (b) are implemented consistently; and (c) ensure the reliability and integrity of financial and operational information.

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

10.   OIOS conducted the audit from February to April 2014. The audit covered the period from 31 July 2012 to 31 December 2013.

11.   OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key control in mitigating associated risks. Through

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

III. AUDIT RESULTS

12.   The UNAMI governance, risk management and control processes examined were initially assessed as **partially satisfactory[1]** in providing reasonable assurance regarding the **effective management of air operations in UNAMI**. OIOS made four recommendations to address the issues identified. UNAMI developed its aviation support plan in conformity to its concept of operations, and adequately budgeted for aviation activities. The Aviation Section prepared monthly flight summaries that were supported by aircraft use reports, the Mission Aviation Safety Council met regularly, and the Regional Aviation Safety Officer conducted regular visits to assess adequacy of safety requirements. However, UNAMI needed to: (a) improve procedures for documenting and approving special flights; (b) finalize the updating and consolidation of aviation standard operating procedures; ███████████ ███████████ and (d) enforce the procedures for authorizing non-UNAMI passengers on United Nations air assets.

13.   The initial overall rating was based on the assessment of the key control presented in Table 1. The final overall rating is **partially satisfactory** as implementation of four important recommendations remains in progress.

Table 1: Assessment of key control

Business objective	Key control	Control objectives			
		Efficient and effective operations	**Accurate financial and operational reporting**	**Safeguarding of assets**	**Compliance with mandates, regulations and rules**
Effective management of air operations in UNAMI	Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

Regulatory framework

The Mission aviation support plan conformed to its concept of operations

14.   The Department of Peacekeeping Operations/Department of Field Support (DPKO/DFS) Aviation Manual required the Aviation Section to prepare and regularly update the Mission's aviation support plan by identifying the necessary personnel, assets, support equipment and services to accomplish the Mission's mandated tasks. UNAMI had developed an aviation support plan which was based on the Mission's operational requirements, and took into account recommendations made by DFS as well as mobility requirements for the integrated mission including those of the United Nations Country Team. OIOS concluded that adequate controls were in place for developing the aviation support plan.

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

Aviation requirements were adequately captured in the Mission's aviation budget

15.   The DPKO/DFS Aviation Manual required mission aviation budgets to be in sufficient detail to substantiate aviation requirements. The UNAMI concept of operations for 2013 did not recommend any changes to the Mission's number of air assets, and this was appropriately reflected in the Mission's budget for 2013. The UNAMI budget costing sheets were consistent with the air operations explanatory notes and the 2013 budget, and they reflected the breakdown and summaries for all cost components of air operations.   UNAMI, in formulating the budget, appropriately considered the previous year's performance. In 2013, the fixed-wing aircraft had a utilization rate of 95 per cent based on the 1,524 flight hours flown compared to 1,600 flight hours planned per the contract. The mission had two rotary wing aircraft, which were used alternately to ensure that one was available for search and rescue. OIOS concluded that adequate controls were in place to ensure aviation requirements were properly budgeted for.

Procedures for documenting and approving special flights needed improvement

16.   The DPKO/DFS Aviation Manual required that all special flights: have their estimated costs confirmed, be properly vetted, and be approved by an authorized official at least seven days prior to the dates of flights.

17.   At the time of the audit, UNAMI had not implemented procedures for documenting and approving special flights. This was because of vacancies in some key posts, especially in the Technical Compliance and Quality Assurance Unit, which resulted in delays in updating mission-specific policies and procedures. A review of 30 of the 123 special flights conducted in 2013 indicated: (a) five amendments to air tasking orders were not counter-signed; (b) one special flight request was approved four days after the special flight was undertaken; (c) two special flights were approved less than seven days before the proposed special flight date; (d) one special flight included four passengers who were not in the aircraft use report; (e) 12 cargo flight manifests were not signed by the arrival airfield Movement Control staff; and (f) all special flight requests included cost estimates.

18.   UNAMI had implemented a system for the authorization and cost-recovery of non-UNAMI special flights. A review of the 15 non-UNAMI special flights authorized during the audit period indicated that cost-recoveries were properly computed. OIOS concluded that procedures for authorizing and ensuring cost-recovery of non-UNAMI special flights were adequate and working as intended.

> **(1) UNAMI should implement procedures to ensure that special flights are properly approved in advance and related documents filed.**
>
> *UNAMI accepted recommendation 1 and stated that it had implemented procedures to ensure that special flight requests were submitted no less than three days in advance. The Chief of Air Operations Planning and Scheduling was closely monitoring compliance with such procedures.* Recommendation 1 remains open pending receipt of evidence of implementation of procedures for the approval of special flight requests.

Flight schedules were prepared and updated regularly

19.   The DPKO/DFS Aviation Manual required that flight schedules be prepared and updated regularly by matching operational requirements with available aviation resources. The Aviation Section was preparing flight schedules quarterly, taking into consideration operational requirements. OIOS concluded that procedures for the timely preparation and update of flight schedules were adequate and effective.

Flight following procedures were updated to ensure that aircraft were properly monitored

20.   The DPKO/DFS Aviation Manual required the Aviation Section to establish a flight following process and maintain a log of mandatory information that included aircraft position every 15 minutes and its landing and takeoff times. The Manual also required that the radio room be manned one hour prior to the takeoff of the first aircraft and up to 15 minutes after the last aircraft had landed.

21.   Initially, UNAMI was not maintaining the required flight following register. Also, the Aviation Section did not maintain a duty roster or register for the air operations radio room during 2013. However, subsequent to the audit, UNAMI strengthened its procedures by introducing a flight following register and observing the mandatory 15-minute reporting intervals. In addition, effective February 2014, UNAMI implemented a weekly duty roster which demonstrated that the radio room was being adequately manned. Based on the actions taken by the Mission to strengthen flight following, OIOS did not make a recommendation.

Requirements for pre-flight integrated threat assessments were adhered to

22.   The DPKO/DFS Aviation Manual required, as part of its aviation risk management procedures, that an integrated threat assessment was completed prior to every flight and the aircrew briefed on it accordingly. A review of flight records for 30 flights showed that integrated threat assessment checklists were properly completed on each occasion. OIOS concluded that pre-flight integrated threat assessments were adequate and operating effectively.

All designated landing areas were properly surveyed and approved for use

23.   The DPKO/DFS Aviation Manual required that all landing areas, including helicopter landing sites be surveyed and approved for use by the Mission. A review of all 12 designated landing sites used by the Mission showed that all surveys were current and properly completed, and that all landing sites had been approved for use. OIOS concluded that all designated landing areas were properly assessed and approved for use.

Inspection and performance evaluations of contractors were conducted

24.   The DPKO/DFS Aviation Manual and the UNAMI aviation quality assurance and technical compliance programme standard operating procedures required that periodic compliance inspections and quarterly performance evaluations be conducted. A review of 11 quarterly performance evaluation reports and 4 aircraft inspection reports indicated that: (a) inspection reports were completed; (b) quarterly performance evaluation reports were prepared; and (c) end-of-contract evaluations in respect of contracts were prepared for aircraft that expired during the audit period. UNAMI was submitting these reports to DFS on a timely manner. OIOS concluded that adequate controls were in place for conducting and reporting on inspections and performance evaluations of contractors.

Aviation operational risk management

26.   The Mission was required to comply with the operational risk management policy promulgated by DFS. The implementation of this policy was an integral part of the aviation risk management framework and entailed a decision-making process to address risks associated with aviation operations.

27.   UNAMI had established a roadmap for implementing the aviation operational risk management policy and had achieved all but the final milestone of updating and consolidating the Aviation Section's standard operating procedures into a single aviation standard operating procedure. The Regional Aviation Safety Officer had indicated, in the aviation action item list of 30 December 2013, that due to staffing challenges, the milestone had not been met, but that this would be addressed following the ongoing recruitment in the Section. The revised target date of 1 July 2014 which was set for the finalization and consolidation of procedures was not met, but the Regional Aviation Safety Officer explained that additional efforts were being made to achieve the final milestone.

> **(2) UNAMI should establish a plan with revised timelines to update and consolidate aviation standard operating procedures into a single document.**
>
> *UNAMI accepted recommendation 2 and stated that it would update and consolidate the standard operating procedures when the situation in the Mission had stabilized.* Recommendation 2 remains open pending receipt of a copy of the updated and consolidated aviation standard operating procedures.

Movement of vehicles, pedestrians and cargo were properly restricted within the Baghdad International Airport United Nations terminal

28.   The DPKO/DFS Aviation Manual identified areas where access restrictions for vehicles, personnel, cargo and passengers within air terminals and air fields were controlled as part of standard aviation ramp management practices. A review of procedures at the Baghdad International Airport United Nations terminal showed that restricted areas were clearly marked; staff were required to wear identification tags; special access passes to restricted areas were issued to authorized staff and properly controlled; special vehicle passes for airport access were issued and properly controlled; ramps were clearly marked and such markings strictly followed; and speed limits existed within the air terminal areas and were clearly posted. OIOS concluded that there were adequate and effective controls over the movement of vehicles, pedestrians and cargo within the airfields.

Mission Aviation Safety Council was properly constituted and functioned effectively

32.   The DPKO/DFS Aviation Safety Manual required missions to establish an Aviation Safety Council to provide policy recommendations and/or direct actions to mitigate risks and safety hazards. The UNAMI aviation safety programme required the Council to meet during the Regional Aviation Safety Officer's scheduled visits or whenever necessary by telephone/video conference.

33.   In 2013, the Regional Aviation Safety Officer made three visits and attended two Council meetings. The third Council meeting was not conducted due to security clearance issues. A review of the minutes of Council meetings indicated that recommendations made from quality audits and Aviation Safety Assessment Visits were discussed and followed-up. However, the Council did not cover issues such as: (a) analysis of occurrences and identified hazards; and (b) status of medium and high risk items in the risk assessment indicators. This was because the Aviation Section was separately tracking them. A review of the tracking system indicated that the Aviation Section were monitoring and following up on reported occurrences and identified hazards as well as risk assessment indicators. OIOS concluded that due to these compensating controls, adequate mechanisms were in place to review, follow-up and take action on aviation safety issues.

Improvements were made to the system for documenting the qualifications of air crew members

34.   The DPKO/DFS Aviation Manual required minimum experience and skills for air crew members. Additionally, UNAMI standard operating procedures, and long term aircraft charter agreements between the United Nations and air operators, required the Mission to review and check the validity of licenses and certificates such as pilot licenses, skills tests results, flying hours experience and medical certificates for each crew member.

35.   A review of the credentials of 22 crew members indicated that due to an inadequate system of filling records, one pilot license, two medical certificates and one skills test certificate were not available for review. Subsequent to the audit, UNAMI established a filing system to ensure copies of air crew members' qualifications were properly filled. OIOS reviewed the filing system and concluded that adequate systems were in place to maintain documentation of qualifications of air crew members.

Aviation staff training programme was adequately managed

36.   The DPKO/DFS Aviation Manual specified that aviation staff should be given the opportunity to participate in relevant aviation training, and the Manual suggested both on-the-job training programmes and recommended courses. UNAMI had conducted an assessment of aviation staff capabilities and skills academic level, and designated a training focal point to ensure that adequate budgetary provisions were made for aviation courses. A review of the training courses taken by seven aviation staff indicated that training requirements were being met. OIOS concluded that procedures to ensure that aviation staff were adequately trained were adequate and working as intended.

Procedures governing travel of non-Mission personnel on United Nations flights were not always followed

37.   The DPKO/DFS Aviation Manual required all passengers travelling on United Nations aircraft to complete a passenger booking request form and a movement of personnel form. In addition, non-United Nations personnel were required to sign the general release of liability form (or waiver).

38.   A review of 80 movement of personnel forms and passenger booking request forms for non-UNAMI personnel indicated that 15 booking request forms were not properly approved by the Mission, 11 were not certified for cost-recovery and 4 did not specify whether cost-recovery would be applicable. Four passengers did not sign a waiver. There was inadequate management attention given to ensuring that required procedures and forms for the travel of non-UNAMI personnel were complied with. Such non-compliance exposed the Mission to financial liabilities in case of accidents.

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(4) UNAMI should implement procedures to ensure that non-UNAMI personnel are approved prior to being allowed to travel on United Nations air assets, and to state clearly whether or not a cost-recovery should be made.

UNAMI accepted recommendation 4 and stated that it had taken corrective action to ensure that non-UNAMI personnel were properly pre-approved for travel on United Nations air assets, including the signing of waivers. Recommendation 4 remains open pending receipt of evidence of compliance with procedures for travels of non-UNAMI passengers on United Nations flights.

IV.   ACKNOWLEDGEMENT

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

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

STATUS OF AUDIT RECOMMENDATIONS

Audit of air operations in the United Nations Assistance Mission for Iraq

Recom. no.	Recommendation	Critical[1]/ Important[2]	C/ O[3]	Actions needed to close recommendation	Implementation date[4]
1	UNAMI should implement procedures to ensure that special flights are properly approved in advance and related documents filed.	Important	O	Receipt of evidence of implementation of procedures for the approval of special flight requests	30 November 2014
2	UNAMI should establish a plan with revised timelines to update and consolidate aviation standard operating procedures into a single document.	Important	O	Receipt of a copy of the updated and consolidated aviation standard operating procedures	15 March 2015
▮	████████████████	████	▮	███████████████	██████
4	UNAMI should implement procedures to ensure that non-UNAMI personnel are approved prior to being allowed to travel on United Nations air assets, and to clearly state whether or not a cost-recovery should be made	Important	O	Receipt of evidence of compliance with procedures for travels of non-UNAMI passengers on United Nations flights	30 November 2014

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

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

[3] C = closed, O = open

[4] Date provided by UNAMI in response to recommendations.

APPENDIX I

Management Response

SPECIAL REPRESENTATIVE OF THE UNITED NATIONS SECRETARY-GENERAL FOR IRAQ

في العراق الممثل الخـاص للامـين العـام للأمـم المتحـدة

INTER-OFFICE MEMORANDUM

26 November 2014

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

CC: **Ms. Haseena Yasin,** *Chief of Mission Support*
        Ms. Padma Nandkumar, *Chief Administrative Services and Audit Focal Point*
        Ms. Pia Stefanizzi, *Chief Technical Services*
        Mr. Quentin Adams, *Chief Aviation Section*
        Mr. Ricardo Garcia, *Chief Regional Aviation Safety Officer, UNGSC*
        Ms. Cynthia Avena-Castillo, *Professional Practices Section, Internal Audit Section, OIOS*

From: **Nickolay E. Mladenov, Special Representative of the Secretary-General**
        Head of UNAMI

Subject: **Draft report on audit of Air Operations in the United Nations Mission for Iraq (Assignment No. AP2014/812/01)**

1. Reference is made to your memorandum of 12 November 2014 in which you requested comments including an action plan with target dates and also rationales for accepting the risks associated with any unaccepted recommendations contained in the draft report on the audit of air operations.

2. In this connection, please find attached herewith the matrix of UNAMI's comments.

Management Response

Audit of air operations in the United Nations Assistance Mission for Iraq

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNAMI should implement procedures to ensure that special flights are properly approved in advance and related documents filed.	Important	Yes	Chief Air Ops	Immediate	Procedures have been implemented and monitored closely by Chief, Air Operations Planning and Scheduling to ensure that Special Flight Requests are submitted no less than 3 days in advance. In implementing these procedures, the Aviation Section ensures that: - all SFR's amendments are counter-signed - All SFR are approved prior to flights taken place - All number of passengers that traveled are indicated in the aircraft use report - All cargo flight manifests are signed by the arrival airfield Movement Control staff - All special flight requests from users from whom cost is to be recovered included cost estimates.
2	UNAMI should establish a plan with revised timelines to update and consolidate aviation standard operating procedures into a single document.	Important	Yes	TCU	Mar 2015	Due to the evolving mission's concept of operations as well as lack of staff resources, it was not possible to update or consolidate the standard operating procedures (SOPs). As the

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

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

Management Response

Audit of air operations in the United Nations Assistance Mission for Iraq

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						situation stabilizes in the mission UNAMI will update and consolidate the SOPs.
4	UNAMI should implement procedures to ensure that non-UNAMI personnel are approved prior to be allowed to travel on United Nations air assets, and to clearly state whether or not a cost-recovery should be made.	Important	Yes	Chief Movement Control	Immediate	Internal follow-up was completed and measures put in place to ensure that non-UNAMI personnel are approved prior to be allowed to travel on United Nations air assets, – all waivers are fully signed prior to travels. Cost recovery is accordingly recorded and retrieved through the proper Administrative channels.