



INTERNAL AUDIT DIVISION

REPORT 2014/044

Audit of movement control operations
in the United Nations Interim Force in
Lebanon

Overall results relating to the effective
management of movement control operations
in the United Nations Interim Force in
Lebanon were initially assessed as partially
satisfactory. Implementation of five
important recommendations remains in
progress

FINAL OVERALL RATING: PARTIALLY
SATISFACTORY

9 June 2014
Assignment No. AP2013/672/05

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AUDIT REPORT

Audit of movement control operations in the United Nations Interim Force in Lebanon

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of movement control operations in the United Nations Interim Force in Lebanon (UNIFIL).
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 UNIFIL Movement Control (MovCon) Section was responsible for planning, managing and controlling the movement of passengers and cargo using air, sea and surface transportation assets in support of the Mission's mandate. Its operations were governed by the Department of Peacekeeping Operations (DPKO)/Department of Field Support (DFS) Movement Control Manual.
4. The MovCon Section was headed by a Chief Movement Control Officer at the Field Service (FS)-7 level and had 27 approved posts and six military personnel deployed to the Section. Budgets for fiscal years 2012/13 and 2013/14 were \$37.7 million and \$42.8 million, respectively. During the period from 1 January to 31 December 2013, UNIFIL transported 88,716 passengers and 14,500 tons of cargo.
5. Comments provided by UNIFIL are incorporated in italics.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of UNIFIL governance, risk management and control processes in providing reasonable assurance regarding the **effective management of movement control operations in UNIFIL**.
7. The audit was included in the OIOS 2013 risk-based work plan because of the operational and financial risks relating to movement control 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 movement control 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 this audit from January to March 2014. The audit covered the period from 1 January 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, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

12. The UNIFIL governance, risk management and control processes examined were initially assessed as **partially satisfactory** in providing reasonable assurance regarding the **effective management of movement control operations in UNIFIL**. OIOS made five recommendations to address the issues identified. UNIFIL implemented adequate coordination mechanisms to ensure that troop rotations and other transportation requirements were properly planned and executed. However, UNIFIL needed to: (a) improve planning of the work of rotation coordinators deployed to countries that were contributing troops to the Mission; (b) review the need to use commercial buses for troop rotations; and (c) develop and monitor key performance indicators of the MovCon Section and customs clearance and inland transportation contracts.

13. The initial overall rating was based on the assessment of key control presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of five 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 movement control operations in UNIFIL	Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

Regulatory framework

Requirements for movement of personnel forms and liability waivers were complied with

14. The UNIFIL MovCon standard operating procedures required all approved non-United Nations passengers to complete the liability waiver form prior to their flights, and for all passengers to submit an approved movement of personnel form at least 48 hours prior to the flight.

15. A review of 20 out of 361 non-United Nations passengers that travelled on the Mission's regular flights between July and December 2013 indicated that all passengers signed a waiver of liability form. One exception was noted, and this referred to a delegation accompanying a contingent on a rotation flight as mentioned in paragraph 19. Also, a review of 45 out of 4,659 passengers transported from 1 July to 31 December 2013 indicated that all passengers had approved movement of personnel forms. OIOS concluded that relevant controls were in place and working as intended.

Troop rotations and other transportation requirements were effectively carried out

16. The DPKO/DFS Movement Control Manual required missions to establish a Joint Movement Coordination Centre within the MovCon Section to be responsible for the overall planning and coordination of contingent rotations, passenger and cargo movements.

17. A review of 32 out of the 130 (25 per cent) troop rotations during the audit period indicated that the Joint Movement Coordination Centre effectively coordinated with DFS and relevant UNIFIL components in executing troop rotations. Additionally, a review of 70 out of 1,931 personnel movement travel requests and 44 out of 176 cargo movement requests indicated that the Section was effective in planning, coordinating and implementing inland surface movements. OIOS concluded that troop rotations and other transportation arrangements were effectively coordinated.

Deployment of rotation coordinators needed improvement

18. The DPKO/DFS Movement Control Manual required the MovCon Section to deploy staff as rotation coordinators to actual countries that were contributing troops to the Mission to ensure adherence with relevant agreements and regulations for the transportation of passengers and dangerous goods. Rotation coordinators were required to submit daily situation reports and a final report to the Mission to prepare them for incoming troops and cargo.

19. During the audit period, the MovCon Section deployed rotation coordinators to only 7 of the 38 troop-contributing countries (TCCs) rotations due to insufficient funds for travel. The lack of rotation coordinators to oversee in-coming and out-going flights resulted in: (a) non-compliance by TCCs in declaring dangerous goods; (b) non-United Nations passengers traveling on an aircraft without completing a general release from liability form; and (c) inadequate communications relating to flight delays. UNIFIL needed to develop a cost-effective policy to deploy coordinators where they were most likely needed, for example for TCCs that had repeated problems in the past with incoming flights or for TCCs that were new to the Mission.

20. A review of three (or 42 per cent) of the seven trips made by rotation coordinators in 2013 indicated that due to inadequate supervision, final reports and eight daily situation reports were not prepared as required. During the audit, UNIFIL put in place procedures to improve supervision of the work of rotation coordinators.

(1) UNIFIL should develop a policy for cost effective deployment of rotation coordinators to oversee in-coming and out-going flights for troop-contributing countries.

UNIFIL accepted recommendation 1 and stated that it had identified a continuing need to send rotation coordinators to seven troop-contributing countries that needed guidance on carriage of dangerous goods and prohibited items by air. The MovCon Section personnel had been reminded of the responsibilities of rotation coordinators and their performance would be monitored by the supervisor of the Rotation Unit. Recommendation 1 remains open pending receipt of a copy of the policy on deployment of rotation coordinators.

Prohibited items found in rotation luggage were not always reported to the Conduct and Discipline Team

21. The UNIFIL MovCon Section standard operating procedures required military police and contingent commanders to check troop baggage and cargo to ensure that dangerous and prohibited items were not carried out of the country. The memorandum of understanding between the United Nations and TCCs also required that contingent commanders inform the Head of Mission of any serious matter

involving indiscipline and disciplinary action taken to address violations of United Nations standards of conduct.

22. A review of eight incidents that occurred in 2013, where airport authorities discovered that TCCs had concealed prohibited items, such as ammunition in baggage, indicated that only six of these were, after review of the Force Provost Marshal, transmitted to the Conduct and Discipline Team for review. This resulted as there were no mandatory procedures established for systematically reporting all such issues. The lack of procedures resulted in cases of violations of United Nations standards of conduct not being properly dealt with. The six cases reported to the Conduct and Discipline Team were followed up on to ensure that appropriate action was taken.

(2) UNIFIL should develop procedures to ensure that all cases of carrying prohibited and dangerous items are reported to the Conduct and Discipline Team for proper follow up.

UNIFIL accepted recommendation 2 and stated that it would amend its standard operating procedures on movement control to include a specific clause on the carriage of forbidden items and address procedures for reporting incidents to the Force Provost Marshal and follow-ups. Reporting procedures between the Force Provost Marshal, Conduct and Discipline Team and Military Police of the Mission would also be improved. Recommendation 2 remains open pending receipt of a copy of procedures for reporting on the carriage of forbidden items.

Required authorization to use rotation flights for leave purposes was not always obtained

23. The DPKO/DFS Movement Control Manual stated that with DFS approval, missions were allowed to utilize troop rotation flights chartered by the United Nations for the carriage of personnel on annual leave. During the year 2013, 114 UNIFIL personnel used rotation flights for leave purposes. A review of records of 73 of the 114 personnel indicated that 35 (48 per cent) did not have the required authorization. Lack of adequate supervision and procedures resulted in unauthorized travel by UNIFIL staff on United Nations chartered flights. During the audit, UNIFIL took action to address this issue and as a result, OIOS did not make a recommendation.

Use of commercial bus contract to supplement troop rotation was not adequately justified

24. UNIFIL had 28 buses dedicated to inland transportation and troop rotations. Twenty-seven of the buses were owned by UNIFIL and one was owned by a contingent. The Mission had also used, since 2008, a commercial bus contractor at a cost of \$84,000 during 2013. This contractor was only used when internal resources were not available.

25. A review of all 137 task orders for use of the commercially contracted buses in 2013 indicated that the MovCon Section was not adequately justifying the use of the buses. UNIFIL advised that the additional bus services were necessary, as the other buses were fully utilized. However, there was no bus schedule available to confirm this. UNIFIL needed to review the process of tasking and allocating the Mission's already available 28 buses to determine whether these additional services were required. If these services continued to be required, UNIFIL needed to implement procedures to ensure the services were justified.

(3) UNIFIL should reassess the need to contract services of commercial buses, and if required, implement procedures to ensure their use is properly justified and only takes place when the Mission's 28 buses are unavailable.

UNIFIL accepted recommendation 3 and stated that standard operating procedures and the job

description of the Surface Unit Supervisor would be amended to justify the use of commercial buses. Recommendation 3 remains open pending receipt of a needs assessment for the commercial bus contract and evidence of procedures implemented to ensure proper justification for the use of commercial bus services.

Performance indicators and risk assessment needed to be enhanced

26. The MovCon Section's work plan for 2012/13 included requirements to develop key performance indicators on a monthly basis, carry out a risk assessment of the Section's operations and develop mitigating measures to address the identified risks.

27. The MovCon Section did not carry out a risk assessment of its activities. Also, the Section used its statistics of personnel and cargo transported as its key performance indicators but did not establish any targets against which performance was to be measured. A review of the personnel and cargo statistics noted that they were inaccurate because they had not been monitored and verified. Absence of proper key performance indicators and risk assessments resulted as the MovCon Section had not allocated this responsibility to a unit or staff member in the Section.

(4) UNIFIL should carry out a risk assessment of its movement control operations and develop adequate key performance indicators that are reported to Management for monitoring and review.

UNIFIL accepted recommendation 4 and stated that a risk assessment of its movement control operations would be carried out over the next three months. Existing key performance indicators would be reviewed to be aligned with operating responsibilities. Recommendation 4 remains open pending receipt of a risk assessment on movement control activities and key performance indicators establishing targets against which performance would be measured.

There was inadequate monitoring of contactor performance

28. UNIFIL entered into contracts with two vendors with a combined not-to-exceed amount of \$913,800 for the provision of: (a) passenger and baggage handling services; and (b) customs clearance and inland transportation services. The DPKO/DFS Movement Control Manual required UNIFIL to conduct evaluations of contractors' performance with regard to quality, delivery timeliness and other performance indicators regarding contracted services or works.

29. A review of 65 out of 303 incoming UNIFIL shipments indicated that there were delays in the delivery of goods. It took between 21 to 30 days and more than 40 days to deliver 47 and 18 shipments respectively from the port to the Receiving and Inspection Unit. This was because there were no performance indicators in the contracts for clearance and inland transportation. Although demurrage charges for the period 1 January to 31 December 2013 were only \$952, absence of a monitoring mechanism resulted in delays in clearing and transportation of goods.

(5) UNIFIL should reduce excessive shipment processing times by developing target processing times for clearance and inland transportation contractors, and assessing timeliness in contract performance evaluations.

UNIFIL accepted recommendation 5 and stated that it would establish a monitoring mechanism comparing key performance indicators with the actual time taken for each clearance and transportation process. Also, the MovCon Section would closely liaise with Government authorities to reduce processing time. Recommendation 5 remains open pending receipt of target processing

times for clearance and inland transportation contractors and evidence of monitoring of their performance.

V. ACKNOWLEDGEMENT

30. 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) David Kanja
Assistant Secretary-General for Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of movement control operations in the United Nations Interim Force in Lebanon

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1.	UNIFIL should develop a policy for cost effective deployment of rotation coordinators to oversee incoming and out-going flights for troop-contributing countries.	Important	O	Receipt of a copy of the policy on deployment of rotation coordinators.	1 July 2014
2.	UNIFIL should develop procedures to ensure that all cases of carrying prohibited and dangerous items are reported to the Conduct and Discipline Team for proper follow up.	Important	O	Receipt of a copy of procedures for reporting on the carriage of forbidden items.	1 July 2014
3.	UNIFIL should reassess the need to contract services of commercial buses, and if required, implement procedures to ensure their use is properly justified and only takes place when the Mission's 28 buses are unavailable.	Important	O	Receipt of a needs assessment for the commercial bus contract and evidence of procedures implemented to ensure proper justification for the use of commercial bus services.	1 July 2014
4.	UNIFIL should carry out a risk assessment of its movement control operations and develop adequate key performance indicators that are reported to Management for monitoring and review.	Important	O	Receipt of a risk assessment on movement control activities and key performance indicators establishing targets against which performance is to be measured.	30 September 2014
5.	UNIFIL should reduce excessive shipment processing times by developing target processing times for clearance and inland transportation contractors, and assessing timeliness in contract performance evaluations.	Important	O	Receipt of target processing times for clearance and inland transportation contractors and evidence of monitoring of their performance.	30 September 2014

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 UNIFIL in response to recommendations.

APPENDIX I

Management Response

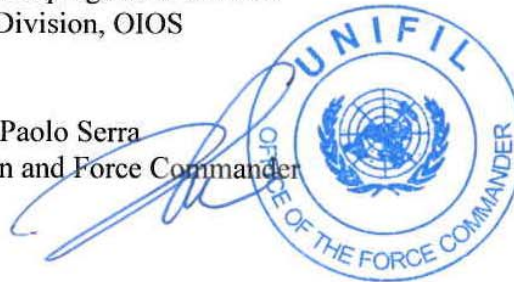


Inter Office Memorandum

26 May 2014

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

From: Major General Paolo Serra
Head of Mission and Force Commander
UNIFIL



Subject: **Draft Report on an Audit of Movement Control Operations in UNIFIL**
(Assignment No. AP2013/672/05)

1. We refer to your memorandum on the audit of movement control operations, reference no. IAD: MO140501 dated 12 May 2014. Please find attached UNIFIL response to the recommendations contained in the subject draft audit report.

2. In following the usual procedure, copies of supporting documents will only be provided to the MERAO based at UNIFIL HQ and will not be transmitted to you with this Mission response.

Best regards.

Cc: Mr. Wolfgang Weiszegger, Director of Mission Support, UNIFIL
Mr. Effendi Syukur, Chief Compliance Unit, UNIFIL
Ms. Anna Halasan, Professional Practices Section, Internal Audit Division, OIOS

Management Response

Audit of movement control operations in the United Nations Interim Force in Lebanon

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1.	UNIFIL should develop a policy for cost effective deployment of rotation coordinators to oversee in-coming and out-going flights for troop-contributing countries.	Important	Yes	Rotation Unit Supervisor	1 July 2014	<p>Due to the limited knowledge of troop-contributing countries (TCCs) concerning carriage of dangerous goods and prohibited items by air and in accordance with Movement Control Manual, UNIFIL Movement Control Section identified a continuing need to send rotation coordinators to seven troops contributing countries.</p> <p>Rotation coordinator's performance is monitored by the Supervisor of the Joint Movement Control Centre/Movement Control Section. Any shortfall from troop-contributing countries is reported to Movement Control Section, United Nations Headquarters via the Movement Completion Report. Movement Control Section personnel have been reminded of their responsibilities as Rotation Coordinators.</p> <p>In addition, the Job Description of the Officer-in-Charge of Rotation Unit will be amended to reflect the responsibility of informing the nominated Rotation Monitor to ensure that correct procedures are followed.</p>
2.	UNIFIL should develop procedures to ensure that all cases of carrying prohibited and dangerous items are reported to the Conduct and Discipline Team for proper follow up.	Important	Yes	Rotation Unit Supervisor	1 July 2014	As per procedures established for the Force Provost Marshall (FPM) and Conduct and Discipline Team (CDT) on carrying prohibited and dangerous items, the United Nations Military Police (UNMP) in UNIFIL files reports on discovery of carrying forbidden

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 movement control operations in the United Nations Interim Force in Lebanon

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>items making sure that Conduct and Discipline Team is aware of the incidents in order to take proper follow-up actions</p> <p>Amendment to improve these procedures is being addressed to FPM.</p> <p>In its turn, UNIFIL Movement Control Section will add a specific clause on "Policy Carriage of Forbidden Items" to its Movement Control SOP addressing the procedures that must be followed in reporting incidents to FPM together with the follow-up action.</p>
3.	UNIFIL should reassess the need to contract services of commercial buses, and if required, implement procedures to ensure their use is properly justified and only takes place when the Mission's 28 buses are unavailable.	Important	Yes	Surface Unit Supervisor	1 July 2014	<p>Mission initiates the use of commercial buses as a last resort when no UNIFIL assets are available.</p> <p>UNIFIL Movement Control Section will amend Standard Operating Procedures (SOPs) to reflect and justify the use of United Nations, contingent and commercial buses.</p> <p>Mission took measures to rectify shortfalls to ensure that task orders are signed by both parties prior to use of the commercial busses.</p> <p>Additionally, Movement Control Section will perform the following:</p> <ul style="list-style-type: none"> - Adding the procedures and responsibilities of hiring commercial buses to the Job Description of the Officer-in-Charge Surface Unit;

Management Response

Audit of movement control operations in the United Nations Interim Force in Lebanon

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						2. Maintaining a log to justify the use of commercial buses.
4.	UNIFIL should carry out a risk assessment of its movement control operations and develop adequate key performance indicators that are reported to Management for monitoring and review.	Important	Yes	Movement Control Administrative Clerk through both Chief and Deputy Movement Control Section	30 September 2014	A risk assessment of Movement Control operations will be carried out over the next 3 months. The existing KPIs will be reviewed and aligned with the outcomes/operational responsibilities. These outcomes will be monitored by unit supervisors and reported to Chief Movement Control Section for further dissemination to mission higher level management.
5.	UNIFIL should reduce excessive shipment processing times by developing target processing times for clearance and inland transportation contractors, and assessing timeliness in contract performance evaluations.	Important	Yes	Officer-in-Charge Movement Control Section - Beirut	30 September 2014	UNIFIL, through its Movement Control Section, initiates customs formalities on time, yet the delay in shipments processing time lies within the Customs Clearance office as Movement Control Section has no jurisdiction over the Host Government Office (Ministry of Foreign Affairs/Customs). In order to minimize the processing time, Movement Control Section will follow-up and monitor with the agents / agencies and other concerned parties. Inland transportation is done immediately once the shipments are custom cleared. Monitoring of Inland transportation contract performance evaluation is performed at the

Management Response

Audit of movement control operations in the United Nations Interim Force in Lebanon

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>end of each contract period</p> <p>Movement Control Section will also establish monitoring mechanism through developing Key Performance Indicators (KPIs) and compare the benchmarks with the actual time taken for each clearance and transport process of goods to be received into Mission.</p> <p>At the same time, Movement Control Section will maintain a close liaison with Host Government Ministries/Authorities in trial to reduce the amount of time for any insufficiencies that warrants critical actions.</p>