



INTERNAL AUDIT DIVISION

REPORT 2016/079

Audit of the implementation of modularization in the context of engineering support provided by the Department of Field Support to field missions

Overall results relating to the effective implementation of modularization were initially assessed as partially satisfactory. Implementation of seven important recommendations remains in progress

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

2 August 2016
Assignment No. AP2015/615/04

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AUDIT REPORT

Audit of the implementation of modularization in the context of engineering support provided by the Department of Field Support to field missions

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the implementation of modularization in the context of engineering support provided by the Department of Field Support (DFS) to field missions.

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. In 2010, DFS embarked on a 5-year Global Field Support Strategy (GFSS) initiative aimed at helping the United Nations reshape and strengthen its support to peacekeeping, special political and other missions by transforming service delivery to assist, amongst other objectives, rapid deployment of field missions. GFSS introduced a new service delivery model for engineering services that reallocated functions between DFS at Headquarters, service centres and missions. DFS Headquarters continues to set strategic direction, define policy and oversee engineering activities in missions, while the service centres took over operational and transactional services. Mission support components in the field focus on location-dependent work.

4. Modularization is provided to field missions through two main entities: the Engineering Section of the Logistics Support Division, DFS in New York; and the Engineering Standards and Design Centre (ESDC), within Logistics Services, United Nations Global Service Centre (UNGSC) based in Brindisi. Through modularization, the Engineering Section and ESDC intend to contribute to operational efficiency and optimal use of resources by establishing scalable service packages¹ that meet changing requirements throughout the lifespan of a mission. Modularization involves three main services:

- a. Designs - these are standard designs/drawings for 50, 100, 200 and 1,000 person camps and for logistics and air bases that can be modified to a mission's requirements;
- b. Engineering modules - these are prepared as service packages for 50, 100, 200 and 1,000 person camps and include 14 modules such as security, water supply and catering, and kitchen; and
- c. Enabling capacity - this is the capacity to build or install modules in missions.

5. The Engineering Section comprises the Policy, Plans and Management Support Units. The Section is responsible for providing strategic level support to engineering service delivery with emphasis on supply chain management and oversight.

¹ Service packages are designed to incorporate the necessary equipment and enabling capacity, including technical capacity, acquisition and delivery, standby contractual support, support services contracts and/or other arrangements necessary to ensure fully functioning, cost-effective and sustainable operations.

6. ESDC comprises the Design, Planning and Standards and Environmental Compliance Units, and the Project Management and Technical Review Teams. ESDC is responsible for developing standardized designs, scales and templates for engineering works carried out in field operations.

7. For the fiscal year 2014/15, the Engineering Section was headed by a P-5 and had a budget of \$1.3 million funding eight authorized posts (seven professional and one general service). ESDC was headed by a P-4 and had a budget of \$2.1 million funding 16 authorized posts (eight professional and eight general service) including costs for travel and training.

8. Comments provided by DFS are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

9. The audit was conducted to assess the adequacy and effectiveness of DFS governance, risk management and control processes in providing reasonable assurance regarding the **effective implementation of modularization in the context of engineering support provided by DFS to field missions**.

10. The audit was included in the 2015 risk-based work plan of OIOS due to the strategic and operational risks relating to engineering service delivery associated with the implementation of GFSS.

11. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this control as one that provides reasonable assurance that policies and procedures: (i) exist to guide DFS Engineering Section and ESDC operations in the implementation of modularization in field missions; (ii) are implemented consistently; and (iii) ensure reliability and integrity of financial and operational information.

12. The key control was assessed for the control objectives shown in Table 1. One control objective shown in Table 1 as “Not assessed” was not relevant to the scope defined for this audit.

13. OIOS conducted the audit from November 2015 to March 2016. The audit covered the period from 1 July 2012 to 31 December 2015. The audit included a review of the support provided to peacekeeping and special political missions by the Engineering Section and ESDC, including the development of policies, guidance and oversight mechanisms. It also included a limited review of controls over systems contracts and engineering-related strategic deployment stocks that support new/existing peacekeeping and special political missions’ requirements including modularization. The audit did not cover supply chain management as this would be reviewed in future audits.

14. The audit team conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls 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

15. The DFS governance, risk management and control processes examined were initially assessed as **partially satisfactory**² in providing reasonable assurance regarding the **effective implementation of modularization in the context of engineering support provided by DFS to field missions**. OIOS made seven recommendations to address issues identified.

16. DFS defined the functions and roles of the Engineering Section and ESDC. ESDC developed work plans reflecting their mandated activities, which were aligned to indicators of achievement included in budget documents and the modularization concept had taken into account adaptability and environmental considerations. To improve engineering support, DFS needed to implement modularization by: (i) developing designs for service packages based on lessons learned and feedback from field missions; (ii) monitoring, renewing and/or establishing relevant systems contracts; and (iii) developing options/solutions for generating the enabling capacity for service packages. DFS also needed to: (i) ensure that guidelines for rotating strategic deployment stocks are documented; (ii) ensure that work plans for the Engineering Section are fully developed and include time-bound and measurable outputs; (iii) enforce the policy relating to acquisition of non-expendable assets, and (iv) revise and finalize the Engineering Support Manual.

17. 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 seven 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 implementation of modularization in the context of engineering support provided by DFS to field missions	Regulatory framework	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

Regulatory framework

Modularization needed to be effectively implemented in accordance with GFSS

18. The Secretary-General’s 2010 progress report on the implementation of GFSS (A/65/643) requires standard service packages to be designed and implemented to incorporate the necessary equipment and enabling capacity. His second and third progress reports indicated other implementation activities and their timelines.

² 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.

a) Standard designs needed to be finalized as outlined in GFSS

19. A review of documentation at UNGSC showed that ESDC had developed standard designs/drawings for 50, 100, 200 and 1,000 person camps and for logistics and air bases that could be modified to a mission's requirements. The standard design packages included layout drawings, technical specifications, bills of quantities, and plant designs. DFS also indicated that the modularization concept was evolving and in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA), for example, the standard designs had been used for three 200 person camps to try different approaches to enabling the establishment of the camps. However, although the Secretary-General's third annual GFSS progress report anticipated the development of designs for police facilities, corrections and justice facilities and those for disarmament, demobilization and reintegration sites, UNGSC had developed designs for only police facilities. The lack of development of the other designs was attributed to DFS addressing competing priorities. The absence of appropriate designs and/or modular structures could limit and cause delays in the implementation of the modularization concept in field missions.

b) UNGSC was not in a position to deploy engineering modules on request

20. At the date of the audit, UNGSC was not in a position to fulfil a request for a single 200 person camp to support rapid deployment. This was because of delayed identification, renewal, extension and/or establishment of the required engineering systems contracts, leading to delays in replenishment of strategic deployment stocks. For example, as at 15 February 2016, 9 of the 14 standard engineering modules for a 200 person camp were not available in their entirety. OIOS further review noted that contracts for 21 of 74 engineering line items totaling \$14.6 million and 133 strategic deployment stock line items, totaling \$21 million had either expired or not yet been established, as the Logistics Support Division had, in some cases, not initiated or completed the statements of requirements for expired and new systems contracts.

21. The Engineering Section stated that, due to lack of resources and competing priorities, it could not assign the necessary resources to timely monitor, renew and/or establish engineering systems contracts. OIOS review noted that although responsibilities had been delineated between Headquarters, service centres and field missions under GFSS, operational queries continued to be directed to the DFS Engineering Section, which required communication with the field missions, thereby diverting attention from its core responsibilities.

c) Enabling capacities for modularization needed to be established

22. UNGSC established a Mission Support Team with expertise in architecture, engineering, environment and/or logistics in 2011. The Team provided technical assessment for a new mission set up, contractor supervision, engineering and environmental support, wastewater management, and prefabrication module installation. It comprised UNGSC staff, who in addition to their regular functions, were made available for deployment to missions for up to 90 days to assist with engineering projects. From July 2013 through December 2015, Mission Support Teams were deployed to field missions in 25 instances.

23. Additionally, a Global Mission Support Team comprising approximately 100 staff members was established in November 2013, as a pilot project with three field missions: United Nations Interim Force in Lebanon, United Nations Operation in Cote d'Ivoire and the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo. The purpose of the global team was to provide enabling capacity or assistance with engineering projects. The pilot was discontinued as the relevant field missions increasingly indicated that they could not release staff due to resourcing constraints. However,

no contractual stand-by support was established to fill this gap. The Engineering Section advised that a statement of work had been prepared in November 2013 and submitted to the Procurement Division. As at June 2016, it was awaiting further review by UNGSC, Procurement Division and the Office of Legal Affairs. The delays were attributed to the complex nature of such contracts, which requires in-depth review by all relevant parties.

24. As a result of the above constraints, the utilization of the modularization concept in the missions established between January 2012 and December 2015 (United Nations Interim Security Force for Abyei, United Nations Multidimensional Integrated Stabilization Mission in Mali and MINUSCA) was piecemeal. For instance, these missions had not been able to utilize the entire range of the modularization concept, including designs, modules and enabling capacity, in deploying a camp. Additionally, until the underlying constraints to the effective implementation of modularization are addressed, the recently announced intention of the Under-Secretary-General, DFS to initiate the development and implementation of a rapidly deployable capacity³ may not be achievable.

(1) DFS should develop designs for the envisaged service packages under the Global Field Support Strategy, together with their associated modules, based on lessons learned and feedback from field missions.

DFS accepted recommendation 1 and stated that the Department had developed the originally envisaged standard designs and would undertake further development of the full range of service packages and associated modules after it had obtained feedback and learned lessons from the implementation of the original service packages and associated modules. Recommendation 1 remains open pending receipt of evidence that the designs for the envisaged service packages together with their associated modules have been developed.

(2) DFS should prioritize resources and develop a mechanism to monitor, renew and/or establish new systems contracts timely for engineering modules and replenishment of strategic deployment stocks.

DFS accepted recommendation 2 and stated that the Department was mindful of the numerous pending systems contracts but was currently focusing existing resources on supply chain related activities with emphasis on finalizing numerous pending solicitations before the end of 2016. This timeline may be affected by the absence of additional resources. Recommendation 2 remains open pending receipt of evidence that a mechanism has been developed to monitor, renew and establish new systems contracts for engineering modules and replenishment of strategic deployment stocks.

(3) DFS should allocate appropriate resources and develop options/solutions for providing enabling capacity for service packages associated with deployment of standard designs for facilities and infrastructure including camps.

DFS accepted recommendation 3 and stated that “enabling capacity” was incorporated within the majority of engineering related systems contracts akin to an after-sales support component. DFS would continue to focus on allocating appropriate attention to the contractual and legal complexities of the desired standby design and construction/commissioning statement of requirements, taking into account resource constraints. In addition, UNGSC would enhance capacity operation through the issuance of a new standard operating procedure. Recommendation 3 remains open pending receipt of evidence that resources have been allocated to provide enabling

³ A fully integrated concept that deploys an advance capacity (350 personnel plus greenfield facilities) to a mission as rapidly as possible (within 30 to 90 days).

capacity for service packages.

The modularization concept took into account adaptability and environmental considerations

25. The fifth annual progress report of the Secretary-General on the implementation of GFSS (A/69/651) stated that the strategy included, amongst other objectives, the utilization of regional and local capacity to reduce adverse environmental impacts of field missions.

26. Between 2013 and 2015, ESDC implemented two key environmental initiatives. The first involved engaging an external engineering consultancy to propose a template for incorporating sustainable energy solutions for the 200 person camp as a model, to eventually reduce United Nations camps' heavy reliance on fossil-powered generators. The proposal was developed following an analysis of data collected from six participating field missions; it included current technologies and best practices. At the core of the model were two power distribution configurations that accommodated three design scenarios. ESDC utilized the consultancy firm's results to produce complete multi-scenario design packages that reflected a reduction of fuel consumption of between 50 and 80 per cent.

27. The second initiative led by ESDC Environmental Compliance and Sustainability Unit, dealt with the issue of sustainable solid waste management. It involved the collection and analysis of data on solid waste management from five participating field missions. The analyses resulted in the development of options for improvements to waste management taking into consideration field mission peculiarities.

28. Design packages for power distribution configurations and waste management options were made available for reference and use by field missions on the UNGSC online database platform.

29. A review of 7 of the 10 statements of requirements developed for engineering systems contracts in 2015, identified specifications relating to material and/or engineering items that were environmentally friendly and able to operate in varying climates, conditions or environments. The review determined that ESDC had instituted processes towards acquiring assets that were environmentally friendly, able to operate in varying conditions and helped to minimize environmental impact on host nations and local communities.

Rotation procedures for modularization-related strategic deployment stocks needed to be documented

30. Strategic deployment stocks comprise critical items to be held in inventory, including those related to modularization, to enable rapid deployment of new missions and support to existing missions, United Nations agencies, funds and programmes and external entities (e.g. African Union). To ensure that stocks do not exceed their shelf life or become obsolete, UNGSC is required to monitor and rotate them.

31. The standard operating procedures on asset management, dated December 2014, did not include procedures on the rotation of stocks based on whether assets were deemed to be strategic, slow and/or non-moving and their shelf life. The procedures were not drafted by UNGSC due to competing priorities. The lack of formalized procedures could result in assets becoming obsolete if they are not timely and consistently rotated.

(4) DFS should document guidelines to ensure consistent rotation of strategic deployment stocks taking into account factors including the strategic nature of stocks, frequency of issuances and their shelf life.

DFS accepted recommendation 4 and stated that DFS would incorporate stock rotation requirements in the standard operating procedures, taking into consideration that issuance from

strategic deployment stock is demand driven. Recommendation 4 remains open pending receipt of guidelines documenting the procedures on rotation of strategic deployment stocks.

The Engineering Section and ESDC functions were clearly defined and delineated in accordance with GFSS

32. DFS Headquarters is required to set strategic direction, oversee and make policy decisions on engineering activities, whereas UNGSC is responsible for operational and transactional service delivery.

33. OIOS review of documentation and interviews with relevant staff indicated that with the implementation of GFSS, the DFS Engineering Section's core functional areas were reconfigured to focus on the development of policies for significant aspects of engineering activities and to oversee engineering strategic support to missions, e.g. governance over major construction projects. ESDC was reorganized to assume expanded operational and transactional responsibilities linked to the development and expansion of predefined service packages. Consequently, the following functions were duly transferred from Headquarters to UNGSC in 2012: global asset and material management for engineering; operational review of annual engineering budget submissions for field missions; mission operational support including participation in field visits, project assessments, development of scopes of work and statements of requirements; and management and coordination of strategic deployment stocks issuance and replenishment. DFS informed that any refinements would be made following feedback on the implementation and lessons learned.

34. OIOS concluded that the functions of the Engineering Section and ESDC were clearly defined and consistent with the stated objectives of GFSS.

The Engineering Section needed to establish work plans and timelines for associated tasks

35. The Secretary-General's bulletin on regulations and rules governing programme planning, budgeting, monitoring and evaluation (ST/SGB/2000/8) requires that objectives of Secretariat actions be concrete and time-bound, and achievement of objectives should be verifiable and/or linked either directly or through evaluation to enhance measurement.

36. The objectives of the Engineering Section and ESDC were reflected in the report of the Secretary-General on GFSS (2010) and results-based budget documents for the United Nations Logistics Base at Brindisi and the support account for peacekeeping operations for fiscal years 2013/14 and 2014/15. ESDC had work plans covering the fiscal years that included outputs that were time-bound. ESDC also maintained evidence to support achievement of its objectives. However, the DFS Engineering Section did not have formally documented and approved work plans for the fiscal years that linked tasks to timelines.

37. For fiscal year 2015/16, the Engineering Section adequately documented its accomplishments of planned tasks, in the work plan but the outputs contained therein were not time-bound. The Section did not also maintain documentation to support the indicators of achievement stated in the budget documents.

38. This happened because during 2013/14 and 2014/15, with the implementation of GFSS, the Logistics Support Division was in transition and did not enforce the requirement for its component units to develop and execute work plans. The Engineering Section also maintained that it did not include estimated completion dates for various tasks as it did not have sufficient capacity to complete them timely. Consequently, for the Engineering Section, it was not possible to determine the accomplishment of tasks against established targets.

(5) DFS should develop a mechanism to ensure that work plans for the Engineering Section are fully developed and include time-bound and measurable outputs, which are verifiable to allow for monitoring of activities.

DFS accepted recommendation 5 and stated that mindful that the Engineering Section work plan is based on the Departmental and Divisional work plans, the Engineering Section would develop a work plan that takes into account both broader work plans and resource limitations within the Section. Recommendation 5 remains open pending receipt of the updated Engineering Section work plan.

UNGSC needed to enforce the DFS policy covering acquisition of non-expendable assets for modularization

39. The DFS policy on global asset management dated 11 April 2013 requires missions to request clearance from UNGSC to acquire non-expendable assets prior to entering into any sourcing activity to ensure assets are acquired cost-effectively and to reduce the risk of waste/surplus stocks.

40. During the three fiscal years from 2013 to 2016, ESDC provided technical clearances for 14 camps in five field missions with an estimated cost of \$125 million, where the modularization approach was not adopted. Discussions with UNGSC noted that field missions did not provide justification why resources available under modularization were not drawn upon. As there was no mechanism to prevent missions from procuring assets without seeking prior clearance from UNGSC there was no robust enforcement of the policy on global asset management and therefore no assurance that missions were complying.

41. To address this issue, UNGSC issued standard operating procedures on technical clearance for local procurement authority (September 2015). The procedures state that in case of acquisition of goods each field mission is, prior to submitting requests to UNGSC for technical clearance for local procurement authority, required to contact UNGSC to identify if the requirement can be met through: (a) strategic deployment stocks; (b) United Nations reserves; (c) mission surplus assets; and (d) procurement including systems contracts, if established. The procedures also require missions to provide justification why the requirement could not be met from available resources.

42. However, UNGSC did not have evidence that missions were systematically following these procedures prior to acquiring assets and that these requirements were being enforced. Consequently, UNGSC could not provide assurance that the necessary synergies for centralized asset management were being achieved.

(6) DFS should institute mechanisms to enforce compliance with the requirement for missions to obtain clearance from the United Nations Global Service Centre prior to acquiring non-expendable assets, including making this a prerequisite for commencement of procurement action.

DFS accepted recommendation 6 and stated that it would institute mechanisms to enforce compliance with the requirement for missions to obtain clearance from UNGSC prior to acquiring non-expendable assets, including making it a prerequisite for commencement of procurement action. The policy on global asset management – clearing house role, was revised on 29 June 2016 Recommendation 6 remains open pending receipt of evidence that a mechanism has been implemented to enforce missions to obtain clearance from UNGSC prior to acquiring non-expendable assets.

There was a need to update the Engineering Support Manual

43. The Engineering Section is responsible for developing policies, procedures and other guidelines to direct engineering activities in field missions.

44. DFS developed and implemented guidelines on the Governance of Major Construction Projects and supplemental guidance. However, although an Engineering Support Manual was developed, it had not been reviewed and updated since its issuance in draft form in 1998. It therefore did not cover recent developments including modularization.

45. The Engineering Section stated that due to competing priorities and lack of staffing resources it could not update the Manual. The absence of an approved and updated Manual could result in inconsistent application of standards which could cause delayed completion of projects, compromise the safety and wellbeing of mission staff and adversely affect the reputation of the Organization.

(7) DFS should allocate resources to revise and finalize the Engineering Support Manual to provide operational guidelines to missions.

DFS accepted recommendation 7 and stated that it would explore the possibility of allocating resources to finalizing the Engineering Support Manual, bearing in mind that the ongoing work of reviewing all engineering systems contracts and updating other manuals and guidelines were also priorities of the Section. Recommendation 7 remains open pending receipt of the finalized Engineering Support Manual.

IV. ACKNOWLEDGEMENT

46. OIOS wishes to express its appreciation to the Management and staff of DFS 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 implementation of modularization in the context of engineering support provided by the Department of Field Support to field missions

Recom. no.	Recommendation	Critical ⁴ / Important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
1	DFS should develop designs for the envisaged service packages under the Global Field Support Strategy, together with their associated modules, based on lessons learned and feedback from field missions.	Important	O	Submission of evidence that the designs for the envisaged service packages together with their associated modules have been developed	30 September 2017
2	DFS should prioritize resources and develop a mechanism to monitor, renew and/or establish new systems contracts timely for engineering modules and replenishment of strategic deployment stocks.	Important	O	Submission of evidence that a mechanism has been developed to monitor, renew and establish new systems contracts for engineering modules and replenishment of strategic deployment stocks.	30 September 2017
3	DFS should allocate appropriate resources and develop options/solutions for providing enabling capacity for service packages associated with deployment of standard designs for facilities and infrastructure including camps.	Important	O	Submission of evidence that resources have been allocated to providing enabling capacity for service packages associated with deployment of standard designs for facilities and infrastructure.	30 June 2017
4	DFS should document guidelines to ensure consistent rotation of strategic deployment stocks taking into account factors including the strategic nature of stocks, frequency of issuances and their shelf life.	Important	O	Submission of guidelines documenting the procedures on rotation of strategic deployment stocks.	31 March 2017
5	DFS should develop a mechanism to ensure that work plans for the Engineering Section are fully developed and include time-bound and measurable	Important	O	Submission of the updated Engineering Section work plan.	31 March 2017

⁴ 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.

⁵ 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.

⁶ C = closed, O = open

⁷ Date provided by DFS in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	Recommendation	Critical ⁴ / Important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
	outputs, which are verifiable to allow for monitoring of activities.				
6	DFS should institute mechanisms to enforce compliance with the requirement for missions to obtain clearance from the United Nations Global Service Centre prior to acquiring non-expendable assets, including making this a prerequisite for commencement of procurement action.	Important	O	Submission of evidence that a mechanism has been implemented to enforce missions to obtain clearance from UNGSC prior to acquiring non-expendable assets.	30 September 2017
7	DFS should allocate resources to revise and finalize the Engineering Support Manual to provide operational guidelines to missions.	Important	O	Submission of the finalized Engineering Support Manual.	31 March 2017

APPENDIX I

Management Response

United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

CONFIDENTIAL

Immediate

TO: Muriette Lawrence-Hume, Chief, New York Audit Services,
Internal Audit Division,
OIOS

DATE: **JUL 26 2016**

A:

REFERENCE: 2016.UNHQ.AR-
BOLMEMO.20347.3

THROUGH:

S/C DE:

FROM: Lisa Buttenheim, Assistant Secretary-General
for Field Support



DE:

SUBJECT: Draft report on an audit of the implementation of modularization in the context of
engineering support provided by DFS to field missions (Assignment No.
AP2015/615/04)

OBJET:

1. I refer to your memorandum dated 24 June 2016 regarding the above-mentioned audit. Please find attached our comments on the findings and recommendations contained in the draft report as Annexes I and II.
2. Thank you for the opportunity to comment on the draft report. We stand ready to provide any further information that may be required.

cc: Cynthia Avena-Castillo

Management Response

Audit of the implementation of modularization in the context of engineering support provided by the Department of Field Support to field missions

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	DFS should develop designs for the originally envisaged service packages under the Global Field Support Strategy, together with their associated modules, based on lessons learned and feedback from field missions.	Important	Yes	Directors, GSC and LSD	Third quarter of 2017	DFS' comments are reflected in the report.
2	DFS should prioritize resources and develop a mechanism to monitor, renew and/or establish new system contracts timely for engineering modules and replenishment of strategic deployment stocks.	Important	Yes	Director, LSD	Third quarter of 2017	DFS' comments are reflected in the report.
3	DFS should allocate appropriate resources and develop options/solutions for generating the enabling capacity for service packages associated with deployment of standard designs for facilities and infrastructure including camps.	Important	Yes	Directors, GSC and LSD	Second quarter of 2017	DFS' comments are reflected in the report. In addition, GSC is enhancing capacity operation through the issuance of a new standard operating procedure, in collaboration with UNOPs.
4	DFS should document guidelines to ensure consistent rotating of strategic deployment stocks taking into account factors including the strategic nature of stocks, frequency of issuances and their	Important	Yes	Director, GSC	First quarter of 2017	DFS' comments are reflected in the report.

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.

Management Response

Audit of the implementation of modularization in the context of engineering support provided by the Department of Field Support to field missions

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	shelf life.					
5	DFS should develop a mechanism to ensure that work plans for the Engineering Section are fully developed and include time-bound and measurable outputs, which are verifiable to allow for monitoring of activities.	Important	Yes	Director, LSD	First quarter of 2017	DFS' comments are reflected in the report.
6	DFS should institute mechanisms to enforce compliance with the requirement for missions to obtain clearance from the United Nations Global Service Centre prior to acquiring non-expendable assets, including making this a prerequisite for commencement of procurement action.	Important	Yes	Director, GSC	Third quarter of 2017	DFS' comments are reflected in the report.
7	DFS should allocate resources to revise and finalize the Engineering Support Manual to provide operational guidelines for missions.	Important	Yes	Director, LSD	First quarter of 2017	DFS' comments are reflected in the report.