



INTERNAL AUDIT DIVISION

REPORT 2017/035

Audit of contingent-owned equipment
in the United Nations Stabilization
Mission in Haiti

Controls over the verification of contingent-
owned equipment needed to be strengthened
to ensure compliance with memoranda of
understanding and prescribed standards
including safety and optimal utilization of
equipment

16 May 2017
Assignment No. AP2016/683/03

Audit of contingent-owned equipment in the United Nations Stabilization Mission in Haiti

EXECUTIVE SUMMARY

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over contingent-owned equipment (COE) in the United Nations Stabilization Mission in Haiti (MINUSTAH). The audit covered the period from 1 July 2015 to 30 September 2016 and included: (a) verification of COE; (b) functioning of the COE and Memorandum of Understanding Management Review Board (CMMRB); (c) management of memoranda of understanding (MOU); (d) adequacy and safety of arms and ammunitions; and (e) disposal of COE.

MINUSTAH regularly conducted periodic and operational readiness inspections and submitted the verification reports to the Department of Field Support. The COE inspectors assessed self-sustainment standards and serviceability of equipment and identified some deficiencies in the operational capability of major equipment. However, controls over the COE verification process needed to be strengthened to ensure compliance with MOUs and prescribed standards including safety and optimal utilization of equipment.

OIOS made seven recommendations. To address issues identified in the audit, MINUSTAH needed to:

- (a) Improve the quality of inspections of COE by assigning specialists to perform operational readiness inspections and confirming with spot checks and/or corroborating evidence the serviceability of equipment previously recorded unserviceable;
- (b) Use regular flights instead of special flights to inspect COE at regional locations to achieve cost savings;
- (c) Improve the technical standards of vehicle inspections during operational readiness inspections to ensure safety and operational performance of vehicles;
- (d) Convene a meeting of the CMMRB to assess the Mission's continuing requirement for equipment and explosive ordnance disposal self-sustainment and consider necessary adjustments in light of evolving Mission circumstances;
- (e) Strengthen the mechanism to follow up with Troop/Police Contributing Countries to ensure contingents are equipped with weapons and lethal and non-lethal ammunitions as required by their MOUs;
- (f) Provide additional guidance to contingents to enforce safe and proper storage of ammunitions and explosives; and
- (g) Implement effective procedures to properly dispose of COE.

MINUSTAH accepted the recommendations; one recommendation has been implemented and action has been initiated for implementing the remaining ones.

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Audit of contingent-owned equipment in the United Nations Stabilization Mission in Haiti

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of contingent owned equipment (COE) in the United Nations Stabilization Mission in Haiti (MINUSTAH).
2. COE refers to major and minor equipment and consumables deployed by Troop/Police Contributing Countries (T/PCCs) under memoranda of understanding (MOU) to assist MINUSTAH in discharging its mandate. The MINUSTAH COE Unit is responsible to verify and report on the serviceability of equipment for reimbursement to T/PCCs. MINUSTAH has 21 contingents from 14 countries, which deployed 2,398 items of major equipment and 2,370 troops during the financial year 2015/16. The COE budget for this year was \$ 33.97 million.
3. The COE functions are governed by the COE Manual, MOUs with T/PCCs, the Department of Peacekeeping Operations (DPKO)/Department of Field Support (DFS) Guidelines for the Field Verification and Control of COE (DPKO/DFS Guidelines), MINUSTAH standard operating procedures and other related guidelines and administrative instructions issued by United Nations.
4. The COE Unit is headed by a Chief at Field Service level-6, who reports to the Chief, Property Management Section. The Unit has three international staff, one military staff officer, one United Nations Police officer, two United Nations Volunteers and two national staff.
5. Comments provided by MINUSTAH 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 COE in MINUSTAH.
7. This audit was included in the 2016 risk-based work plan of OIOS because of the financial and operational risks associated with the management of COE and MOUs with T/PCCs.
8. OIOS conducted the audit from October 2016 to January 2017. The audit covered the period from 1 July 2015 to 30 September 2016. Based on an activity-level risk assessment, the audit covered higher and medium risks in COE functions, which included: verification of COE, functioning of COE/MOU Management Review Board (CMMRB), management of MOUs, adequacy and safety of arms and ammunitions, and disposal of COE.
9. The audit methodology included: (a) interviews of key personnel; (b) reviews of relevant documentation; (c) analytical reviews of data; (d) physical observation; and (e) testing of a sample of transactions.

III. OVERALL CONCLUSION

10. MINUSTAH carried out periodic and operational readiness inspections (ORIs) and submitted the verification reports regularly to the DFS. However, controls over the COE verification process needed to be strengthened to ensure compliance with MOUs and prescribed standards including safety and optimal

utilization of equipment. MINUSTAH needed to: (a) strengthen COE inspections and adequately document the results in inspection worksheets; (b) implement controls to ensure safety of COE vehicles; (c) review the accuracy and completeness of monthly serviceability reports; (d) ensure that the CMMRB addresses non/underutilization of major equipment; (e) improve the storage of ammunitions and disposal of COE; and (f) follow up with contingents to address the shortage of weapons and ammunitions.

IV. AUDIT RESULTS

A. Verification of contingent-owned equipment

The Mission regularly conducted periodic and operational readiness inspections and submitted verification reports to DFS

11. The COE Manual requires the COE Unit to conduct ORIs at least once every six months. The DPKO/DFS Guidelines require MINUSTAH to conduct periodic inspections to physically verify items of major equipment and self-sustainment categories at least quarterly and send verification reports to DFS within 30 days.

12. A review of inspection timetables and related documents indicated that MINUSTAH planned inspections well in advance in collaboration with contingents. The COE Unit completed 63 periodic inspections and 42 ORIs covering all 21 contingents of the Mission for the period 1 July 2015 to 30 September 2016. A review of 17 out of 105 verification reports indicated that the COE Unit mostly complied with the timeline to send quarterly verification reports to DFS. OIOS concluded that MINUSTAH had implemented adequate controls to ensure regular conduct of periodic and operational readiness inspections and timely submission of verification reports to DFS.

There was a need to strengthen COE inspections and adequately document inspection results

13. The COE Manual and DPKO/DFS Guidelines require ORI teams to be composed of specialists from the Mission's technical sections and representatives from Force/Police Headquarters. The inspection teams are required to record the results of inspections on worksheets that are signed by both the inspectors and representatives from the contingent.

14. A review of inspection worksheets for 17 out of 105 periodic inspections and ORIs indicated that COE inspectors identified some deficiencies in the operational capability of major equipment but needed improvement in conducting COE inspections as outlined in the following paragraphs.

15. The inspection teams did not include: (a) representatives from Police/Military Headquarters in three ORIs; (b) specialists from the Transport Section and medical officers in two ORIs; and (c) specialists from the Supply Section in nine ORIs. Additionally, the COE Unit updated the status of the equipment previously categorized as unserviceable without conducting spot checks or obtaining requisite evidence. This impacted both the quality of inspection and determination of the serviceability status of equipment. For example, COE inspectors overlooked that the weapons fitted on two armed class armoured personnel carriers (APC) of a contingent did not have ammunitions and reported them serviceable entitling the contingent for reimbursement at the rate of armed class APC, which was higher than the unarmed class.

16. Further, inspection worksheets did not include: (a) serviceability status for 50 items of equipment; (b) the reasons attributed to unserviceability and non-operational dates for 8 items of equipment; (c) odometer readings for seven vehicles; and (d) signatures of inspectors in four worksheets. OIOS noted

that COE inspectors had insufficient time to record the details of inspections in worksheets which was partly attributed to the Unit's use of special flights to inspect contingents at regional locations.

17. A review of special flight records indicated that the COE Unit availed 17 special flights involving 43 blocks of flying hours for 82 passengers at a cost of \$160,989 during the audit period. The special flights stayed on ground for an average 5.7 hours at each location leaving inadequate time for the inspectors to conduct thorough physical inspections. For example, at a contingent visited by OIOS, the COE inspectors completed in 5.6 hours the related administrative tasks and physical verification of 249 major equipment and self-sustainment capabilities of a military contingent of 410 troops. MINUSTAH had regular flights to regional locations daily or on alternate days. Planning inspections around these flight schedules would have saved the Mission around \$133,109 if staff were paid daily subsistence allowances instead of availing special flights. It would have also allowed the inspectors sufficient time to inspect COE and record the results in worksheets. Additionally, in accordance with MINUSTAH's administrative guideline, COE inspections, being a routine activity, did not justify the tasking of special flights.

(1) MINUSTAH should improve the quality of inspections of contingent-owned equipment by: (a) assigning specialists from its technical sections to perform operational readiness inspections; and (b) conducting spot checks or obtaining sufficient evidence to confirm updated status of equipment assessed as unserviceable at the time of inspection.

MINUSTAH accepted recommendation 1 and stated that it would endeavour to use specialist services to conduct inspections and perform spot checks to verify that the equipment determined to be unserviceable due to the shortcomings identified during inspections were actually corrected to validate their serviceability subsequently. Recommendation 1 remains open pending receipt of evidence that specialists are part of inspection teams and the serviceability of equipment, previously recorded as unserviceable, are validated by spot checks and/or corroborating evidence.

(2) MINUSTAH should develop and implement an action plan to use regular flights, instead of special flights, to inspect contingent-owned equipment at regional locations to achieve cost-savings and allow inspectors sufficient time to conduct inspections and record the results.

MINUSTAH accepted recommendation 2 and stated that it had taken action to avoid using special flights barring exceptional circumstances. The Mission also provided evidence that regular flights had used to carry out inspections in the regions subsequent to the audit. Based on action taken by MINUSTAH, recommendation 2 has been closed.

There was a need to improve controls to ensure safety of COE

18. The COE Manual notes that unsafe vehicles endanger the lives of personnel and jeopardize the effectiveness of a mission and should not be considered operationally serviceable. The DFS Instructions to Field Missions on rotation of T/PCCs major equipment at United Nations expense require MINUSTAH to consider for rotation, vehicles that have been continuously deployed in peacekeeping operations for at least seven years or crossed 50 per cent of the useful life whichever comes earlier.

19. Field visits to 9 out of 21 police/military contingents and reviews of vehicle log books and related records indicated that 182 vehicles involving reimbursement of around \$1.6 million were very old, their age being ranged from 7 to 46 years analyzed as follows: 23 were under 10 years, 40 were between 10 and 20 years, 73 were between 20 and 30 years, and 46 were over 30 years. OIOS independent verification indicated that six of them not only had rusty bodies, broken parts and worn out interiors and

exteriors but also could not start due to electrical problems. These conditions were, however, not indicated in the relevant inspection sheets and verification reports during the audit period.

20. This occurred because the officials who inspected the vehicles did not carry out the required due diligence. The Mission did not take up the matter with respective contingents to rotate old vehicles as it did not consider such rotation to be cost-effective in light of possible draw down of the Mission. As a result, there was a risk of unsafe vehicles being operated in the Mission impacting on safety of Mission personnel and the local population. Vehicles of police contingents were involved in 28 accidents during the audit period including an accident in July 2016 due to brake failure of an 18 years old vehicle that injured six soldiers, one of whom had to be repatriated.

(3) MINUSTAH should develop and implement an action plan to improve the technical standards of vehicle inspections during operational readiness inspections to ensure safety and operational performance of vehicles.

MINUSTAH accepted recommendation 3 and stated that it would develop and implement an action plan to raise the technical standards of vehicle inspections. Recommendation 3 remains open pending receipt of an action plan and evidence of its implementation in order to raise the technical standards of vehicle inspections.

MINUSTAH was taking action to review the monthly serviceability reports submitted by contingents to ensure their accuracy and completeness

21. The DPKO/DFS Guidelines require military units to submit to the COE Unit monthly equipment serviceability reports (MESRs) of major equipment to enable continuous monitoring of the status of COE and updating the electronic COE database for preparing verification reports.

22. A review and comparison of 17 out of 315 MESRs with corresponding verification reports and inspection worksheets indicated that the information included was not accurate and complete. For example, equipment that were unserviceable were shown as serviceable; odometer readings, chassis numbers and fuel consumption were not indicated for some vehicles and generators; and fuel consumption was erroneously computed for others. This affected the accuracy of updates of the electronic COE database based on MESRs submitted by contingents.

23. *MINUSTAH advised that despite having limited resources it had prioritized them to regularly review MESRs and conduct required follow-ups to ensure their accuracy and completeness.* In view of the explanation provided and the action taken by MINUSTAH, no recommendation was made.

B. Functioning of CMMRB

CMMRB was not regularly convened

24. The COE Manual requires the Mission to establish a CMMRB to oversee management of COE and MOUs including to identify any surplus or underutilized equipment and recommend applicable amendments of MOUs to DPKO/DFS. The CMMRB is required to convene meetings at least once a year or more frequently as and when required. The Manual also requires explosive ordnance disposal (EOD) self-sustainment to be reviewed 18 months after forces are deployed.

25. A review of the minutes of CMMRB meetings indicated that the CMMRB convened two meetings in March 2013 and February 2015, but it did not consider underutilization of equipment and

EOD self-sustainment capability in the Mission. For example, OIOS review of two quarters' odometer readings of vehicles deployed by 9 out of 21 T/PCCs indicated that 29 APCs; 10 utility trucks; 7 buses; 4 water trucks and tankers; and two garbage trucks were either not used or used very sparingly for non-operational purposes like test runs due to the Mission's diminishing requirements. As a result, the Mission reimbursed approximately \$2.5 million to T/PCCs during the audit period for major equipment that remained mostly idle.

26. Additionally, a contingent was reimbursed a monthly amount \$20,737 for EOD self-sustainment at the rate of \$8.75 per troop for 2,370 troops. However, the contingent did not conduct any exercise during the audit period to locate or dismantle unexploded ordnance as the Mission did not perceive such a threat due to changed security situation of the country. The continued deployment of this capability was not reviewed after the initial 18 months and remained unutilized but the Mission reimbursed the contingent approximately \$6 million from 1 September 2006 to 30 September 2016.

27. The above occurred because the COE Unit had not identified these issues and brought them to the attention of CMMRB. Without timely oversight, the Mission continued to reimburse T/PCCs for capabilities no longer be required.

(4) MINUSTAH should require the Contingent-Owned Equipment (COE) Unit to convene a meeting of the COE and Memorandum of Understanding Management Review Board to assess the Mission's continuing requirement for COE and explosive ordnance disposal self-sustainment and consider necessary adjustments in light of evolving Mission circumstances.

MINUSTAH accepted recommendation 4 and stated that the United Nations Headquarters leads the finalization of MOUs with Member States and the Mission would continue to provide requisite feedback and collaborate with them. Recommendation 4 remains open pending receipt of evidence that MINUSTAH has convened a meeting of the CMMRB to assess the Mission's continuing requirement for COE and EOD disposal self-sustainment and appropriate action is taken.

C. Adequacy and safety of arms and ammunitions

There was a shortage of weapons and ammunitions

28. The MOU between the United Nations and T/PCCs require all military/police personnel to have at least one personal weapon. This is in addition to the requirements of crew served weapons specified in respective MOUs. The DPKO/DFS Guidelines on levels of ammunition for peacekeeping operations stipulate the quantity of ammunition against the corresponding weapon type for operational requirements. These include 250 rounds per light machine gun in the lethal ammunition category and 100 rubber bullets per grenade launcher in the category of non-lethal weapons.

29. A field visit to 9 of 21 police/military contingents and observation of four COE inspections indicated that a contingent comprising 67 military personnel had 51 personal weapons. Another contingent did not provide eight crew served machine guns with interchangeable barrels as required by the terms of the MOU.

30. A review of reports prepared by the Mission's Senior Ammunition Technical Officer (SATO) on the stock of ammunitions indicated average shortage of 9 per cent and 16 per cent of ammunitions in personal weapons and machine guns respectively for at least five contingents as at 31 October 2016. There was also an average shortage of 49 per cent of non-lethal/anti-riot ammunitions, which were often

required by contingents to assist the Haitian National Police to control crowds during demonstrations. MINUSTAH advised and OIOS confirmed that the SATO had taken up the issue of shortages of weapons and ammunitions with the respective contingents. However, a continuing shortfall of weapons and ammunitions indicated a lack of rigorous follow-up. As a result, there was an increased risk that contingents were not adequately equipped to perform the mandated tasks.

(5) MINUSTAH should take action to strengthen the mechanism to follow up with Troop/Police Contributing Countries to ensure contingents are equipped with weapons and lethal and non-lethal ammunitions as required by their memoranda of understanding.

MINUSTAH accepted recommendation 5 and stated that it would collaborate with the Military and Police components of the Mission and United Nations Headquarters to strengthen the mechanism to ensure that Member States provide equipment as required by the MOU. Subsequent to the audit the Chief of Mission Support also issued a memorandum to the Force Commander and Police Commissioner to follow up to ensure that contingents were equipped with required weapons as required by their MOUs. OIOS acknowledges the action taken by the Mission; however, MINUSTAH needed to provide evidence that its action has resulted in T/PCCs being equipped with weapons required by their MOUs. Therefore, recommendation 5 remains open pending provision of such evidence.

There was a need to improve storage of ammunitions

31. The MINUSTAH standard operating procedures for ammunitions and explosives require them to be stored securely with proper protection from fire, moisture, careless handling and heat considering the risks inherent in possible explosion or detonation. Ammunition should be shielded by suitable traverses/blast walls and lightning protection provided wherever cost and tactical situation allow. Storage areas should be situated at least 25 meters from any inhabited building and at least 100 meters away from petroleum, oil and lubricants installations.

32. A field visit to 9 out of 21 police/military contingents and physical observation of ammunition and explosives storage containers indicated that: (a) seven were not adequately guarded by traverses/blast walls; (b) five were rusted and worn and reported unserviceable by the COE Unit; (c) two were within two to five metres from accommodations and offices; (d) rain water runoff engulfed one container and expired high explosives were stored together with other ammunitions in another container; and (e) none of them had lightning protection. Additionally, two storage containers were located within 100 metres from MINUSTAH fuel stations.

33. This resulted due to inadequate guidance to contingents on storage of ammunitions. As a result, there was an increased risk that ammunitions and explosives were not stored and protected adequately, thus endangering the lives of Mission personnel and the local population surrounding the premises. Additionally, some live ammunitions including nine smoke/gas grenades and rubber bullets placed in the weapons storage of a police contingent were burnt in a fire that occurred in September 2016. While the SATO provided guidance to the contingents, there were persistent inadequacy in safeguarding the storage of ammunitions and explosives, indicating the need for additional guidance and supervision for the due diligence for storage of ammunitions and explosives.

(6) MINUSTAH should provide additional guidance to contingents to enforce safe and proper storage of ammunitions and explosives and conduct an assessment of storage facilities close to fuel stations and implement measures to mitigate associated risks.

MINUSTAH accepted recommendation 6 and stated that it would provide guidelines on the safe and

proper storage of ammunitions and explosives in coordination with the United Nations Department of Safety and Security. Recommendation 6 remains open pending receipt of evidence that guidance has been provided to contingents on safe and proper storage of ammunitions and explosives.

D. Disposal of contingent-owned equipment

There was a need to improve the disposal of COE

32. The DPKO/DFS Property Management Manual and Guidelines require missions to document and account for items to be disposed of, and properly record and weigh COE as scrap prior to disposal.

33. Discussions with the staff of MINUSTAH Property Disposal Unit (PDU) and a review of the COE verification report, shipping vouchers maintained by the COE Unit and handover vouchers prepared by contingents indicated that PDU did not:

- Record and account for 36 containers, 21 ablutions, 17 vehicles and seven generators handed over to the Mission by contingents for disposal;
- Weigh equipment disposed of as scrap. For example, the weight of six utility trucks disposed of as scrap was determined to be an average of 100 kilograms, while the weight of five generators and two utility trucks was estimated to be 495 kilograms; and
- Obtain documentary evidence to ensure that vehicles, trailers and major equipment were actually scrapped before disposal.

34. The above resulted because PDU did not: (1) have a database to record the COE received from contingents for disposal; (2) implement effective procedures to dispose of COE including weighing the scrap and obtaining proper documentation evidencing that the equipment was disposed of as scrap; and (3) include in the contract for disposal of scrap a provision requiring the vendor to crush the equipment including vehicles prior to their removal from the Mission's premises to prevent the vehicles from eventual recirculation in the local market.

35. This led to: (i) financial risks whereby some COE was not properly accounted for and the Mission sold COE scrap at a lower weight and value; and (ii) a reputational risk whereby the contractor sold discarded and unsafe vehicles as roadworthy vehicles compromising passenger safety and posing environmental threats from harmful emissions.

(7) MINUSTAH should implement effective procedures to dispose of contingent-owned equipment (COE) including: (i) maintaining a database to accurately record the receipt of COE for disposal; (ii) properly measuring the weight of COE to be scrapped; (iii) including in the contract for disposal of scrap a clause requiring the vendor to crush the vehicles/equipment to prevent their recirculation in the local market; and (iv) obtaining adequate documentary evidence that COE was scrapped.

MINUSTAH accepted recommendation 7 and stated that it had developed standard operating procedures in 2012 and detail guidelines in 2015 on the disposal of COE and maintenance of database. It would further strengthen the mechanism to implement the guidelines and properly use the database. Recommendation 7 remains open pending receipt of evidence that effective procedures to record and dispose of COE have been implemented.

V. ACKNOWLEDGEMENT

34. OIOS wishes to express its appreciation to the management and staff of MINUSTAH 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 contingent-owned equipment in the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	MINUSTAH should improve the quality of inspections of contingent-owned equipment by: (a) assigning specialists from its technical sections to perform operational readiness inspections; and (b) conducting spot checks or obtaining sufficient evidence to confirm updated status of equipment assessed as unserviceable at the time of inspection.	Important	O	Receipt of evidence that specialists are part of inspection teams and the serviceability of equipment, previously recorded as unserviceable, are validated by spot checks and/or corroborating evidence.	31 July 2017
2	MINUSTAH should develop and implement an action plan to use regular flights, instead of special flights, to inspect contingent-owned equipment at regional locations to achieve cost-savings and allow inspectors sufficient time to conduct inspections and record the results.	Important	C	Action taken.	Implemented
3	MINUSTAH should develop and implement an action plan to improve the technical standards of vehicle inspections during operational readiness inspections to ensure safety and operational performance of vehicles.	Important	O	Receipt of an action plan and evidence of its implementation in order to raise the technical standards of vehicle inspections.	31 July 2017
4	MINUSTAH should require the Contingent-Owned Equipment (COE) Unit to convene a meeting of the COE and Memorandum of Understanding Management Review Board to assess the Mission's continuing requirement for COE and explosive ordnance disposal self-sustainment and consider necessary adjustments in light of evolving Mission circumstances.	Important	O	Receipt of evidence that MINUSTAH has convened a meeting of the CMMRB to assess the Mission's continuing requirement for COE and EOD disposal self-sustainment and appropriate action is taken.	30 June 2017
5	MINUSTAH should take action to strengthen the	Important	O	Receipt of evidence that T/PCCs are equipped	31 May 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 MINUSTAH in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of contingent-owned equipment in the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	mechanism to follow up with Troop/Police Contributing Countries to ensure contingents are equipped with weapons and lethal and non-lethal ammunitions as required by their memoranda of understanding.			with weapons including lethal and non-lethal ammunitions as required by their MOU.	
6	MINUSTAH should provide additional guidance to contingents to enforce safe and proper storage of ammunitions and explosives and conduct an assessment of storage facilities close to fuel stations and implement measures to mitigate associated risks.	Important	O	Receipt of evidence that guidance has been provided to contingents on safe and proper storage of ammunitions and explosives.	30 June 2017
7	MINUSTAH should implement effective procedures to dispose of contingent-owned equipment (COE) including: (i) maintaining a database to accurately record the receipt of COE for disposal; (ii) properly measuring the weight of COE to be scrapped; (iii) including in the contract for disposal of scrap a clause requiring the vendor to crush the vehicles/equipment to prevent their recirculation in the local market; and (iv) obtaining adequate documentary evidence that COE was scrapped.	Important	O	Receipt of evidence that effective procedures to record and dispose of COE have been implemented.	31 July 2017

APPENDIX I

Management Response

Management Response

Audit of contingent-owned equipment in the United Nations Stabilization Mission in Haiti (MINUSTAH)

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MINUSTAH should improve the quality of inspections of contingent-owned equipment by: (a) assigning specialists from its technical sections to perform operational readiness inspections; and (b) conducting spot checks or obtaining sufficient evidence to confirm updated status of equipment assessed as unserviceable at the time of inspection.	Important	Yes	COE Unit Chief	31 July 2017	MINUSTAH conducted complete inspection of COE during the audit period. During its course of engagement, the COE inspection has continuously improved its quality of inspection to cover the major part of the equipment. As suggested, COE unit will endeavor to use the specialist service to conduct inspection as appropriate and will perform spot checks to verify if inspections were rectified in due course such as an equipment inspected unserviceable was later corrected by the COE and put back to be serviceable.
2	MINUSTAH should develop and implement an action plan to use regular flights, instead of special flights, to inspect contingent-owned equipment at regional locations to achieve cost-savings and allow inspectors sufficient time to conduct inspections and record the results.	Important	Yes	COE Unit Chief	Implemented	MINUSTAH uses regular flight to conduct its COE inspection and avoids using of special flights for such activity unless the situation dictates. Cognizant of the cost, MINUSTAH continues to minimize the use of the special flights and approval for special flights is granted only under exceptional basis for places where there are no hotels that

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.

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						meet security requirements and there are no regular flights. MINUSTAH also takes into account of cost-benefit analysis of the use of Special Flights and as stated above, they are used only on exceptional basis.
3	MINUSTAH should develop and implement an action plan to improve the technical standards of vehicle inspections during operational readiness inspections to ensure safety and operational performance of vehicles.	Critical	Yes	COE Unit Chief	31 July 2017	With regards to COE, MINUSTAH will develop and implement an action plan to raise the technical standards of vehicle inspections while noting the fact that COE unit has an important role to play in improving the safety and security of the COE fleet.
4	MINUSTAH should prioritize its resources to regularly review monthly equipment serviceability reports submitted by contingents and provide necessary follow-up guidance to ensure their accuracy and completeness.	Important	No		N/A	MINUSTAH will continue to prioritize its limited resources in reviewing the monthly equipment serviceability and any required follow ups to ensure accuracy and completeness.
5	MINUSTAH should require the Contingent-Owned Equipment (COE) Unit to convene a meeting of the COE and Memorandum of Understanding Management Review Board (CMMRB) to assess the Mission's continuing requirement for COE and explosive ordnance disposal self-sustainment and consider necessary adjustments in light of evolving Mission circumstances.	Important	Yes		Implemented	MINUSTAH held a CMMRB in February 2015, February 2016 and is expected to hold one in 2017 again. UNHQs leads the finalization of the MOU with COE providing member states and self-sustainment requirements. UNHQs also conducts from time to time a field visit. In all cases, whenever the inputs from the mission are sought, mission provides feedback and it will continue to do so

Management Response

Audit of contingent-owned equipment in the United Nations Stabilization Mission in Haiti (MINUSTAH)

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						as it is a collaborative work with UNHQs.
6	MINUSTAH should take action to strengthen the mechanism to follow up with Troop/Police Contributing Countries to ensure contingents are equipped with weapons and lethal and non-lethal ammunitions as required by their memoranda of understanding.	Important	Yes	CMS	Implemented	In collaboration with the Military and Police component as well as UNHQs, MINUSTAH will contribute to the strengthening of the mechanisms to ensure COEs are per the MOU signed with the providing member state
7	MINUSTAH should provide additional guidance to contingents to enforce safe and proper storage of ammunitions and explosives and conduct an assessment of storage facilities close to fuel stations and implement measures to mitigate associated risks.	Important	Yes	CISS	30 June 2017	MINUSTAH, in coordination with DSS and mission Security Section, will endeavor to provide guidelines on the safe and proper storage of ammunitions and explosives.
8	MINUSTAH should implement effective procedures to dispose of contingent-owned equipment (COE) including: (i) maintaining a database to accurately record the receipt of COE for disposal; (ii) properly measuring the weight of COE to be scrapped; (iii) including in the contract for disposal of scrap a clause requiring the vendor to crush the vehicles/equipment to prevent their recirculation in the local market; and (iv) obtaining adequate documentary evidence that COE was scrapped.	Important	Yes	Chief PMS	31 July 2017	MINUSTAH developed the first COE SOP for waste disposal back in 2012. The SOP includes information on COE disposal on behalf of contributors and there ought to be a report from which information can be extracted from. In addition, in February 2015, Property Management Section disseminated detailed procedural guideline on waste disposal to COE with regards to the data that each COE should keep in the data base. However, the mission will reinvigorate the proper use of the data base to enforce

Management Response

Audit of contingent-owned equipment in the United Nations Stabilization Mission in Haiti (MINUSTAH)

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						the applicability of the existing guidelines.