



INTERNAL AUDIT DIVISION

REPORT 2019/148

Audit of facilities management in the United Nations Interim Security Force for Abyei

**Despite recent improvements, the Mission
needed to assess and manage health and
safety risks in its facilities management**

**27 December 2019
Assignment No. AP2019/635/02**

Audit of facilities management in the United Nations Interim Security Force for Abyei

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of facilities management in the United Nations Interim Security Force for Abyei (UNISFA). The objective of the audit was to assess the efficiency and effectiveness of facilities management in UNISFA. The audit covered the period from July 2017 to June 2019 and included a review of: performance of facilities management; and cost recovery and invoice payments.

Despite recent improvements made in facilities management, the Mission had not: assessed and managed health and safety risks; and recovered accommodation charges from some Mission personnel.

OIOS made five recommendations. To address the issues identified in the audit, UNISFA needed to:

- Regularly inspect and proactively conduct maintenance of its facilities;
- Conduct its contractor's performance evaluations for all six service types under the contract using the agreed upon key performance indicators;
- Assess and manage health and safety risks relating to its facilities management;
- Establish a mechanism to accurately bill and collect accommodation charges from staff and uniformed personnel, in coordination with the Regional Service Centre in Entebbe, and recover accommodation charges of \$84,051 from staff and uniformed personnel; and
- Verify and pay contractor's invoices in a timely manner.

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

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Audit of facilities management in the United Nations Interim Security Force for Abyei

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of facilities management in the United Nations Interim Security Force for Abyei (UNISFA).
2. UNISFA had 1,796 facilities used by 4,566 military contingent personnel, 275 military observers and police officers, and 284 civilian staff deployed across 15 camp sites. UNISFA also provided accommodation and office facilities to personnel of United Nations agencies and contractors. The Engineering Support Manual of the erstwhile Departments of Peacekeeping Operations and Field Support/(DPKO/DFS) and the Mission's standard operating procedures on Facilities Management and Camp Services Unit provided guidance on facilities management.
3. Since November 2018, tasks to maintain and repair the Mission facilities were performed by a contractor managed by the Facilities and Environmental Management Unit (FEMU) in the Engineering Section. Previously, FEMU performed those tasks through individual contractors. FEMU, headed by a Chief at the P-4 level, had 10 posts consisting of 4 international and 5 national staff and 1 United Nations Volunteer. The approved budgets for facilities management and improvement for 2017/18 and 2018/19 were \$33 million and \$27 million, respectively.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

4. The objective of the audit was to assess the efficiency and effectiveness of facilities management in UNISFA.
5. This audit was included in the 2019 risk-based work plan of OIOS due to the operational, financial and safety risks related to facilities management.
6. OIOS conducted this audit from June to October 2019. The audit covered the period from July 2017 to June 2019. Based on an activity-level risk assessment, the audit covered risk areas in facilities management, i.e., performance of facilities management; and cost recovery and invoice payments.
7. The audit methodology included interviews of key personnel, reviews of relevant documentation, analytical reviews of data and visits to the camp sites at Abyei, Banton and Anthony.
8. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Performance of facilities management

Actions were taken to improve facilities and related services

9. To improve many facilities inherited from the former United Nations Mission in Sudan in 2011, UNISFA embarked on several projects including the construction of 200 prefabricated self-contained

accommodation units, installation of 17 wastewater treatment plants, and renovation and installation of sewer lines in all camp sites. At the time of the audit, these projects were about 80 per cent complete.

10. Prior to November 2018, facilities/camp management was directly overseen by the Mission, relying on about 600 individual contractors recruited from nearby communities. The individual contractors were mostly unskilled, and their work was of poor quality and not delivered in a timely manner.

11. Noticeable improvements in facilities management were made in late 2018, mainly because the Mission hired a contractor with the necessary technical expertise to oversee facilities/camp management services. Also, in October 2018, the Mission started using a platform known as i-Need and a centralized call centre system to log service requests and ensure their systematic tracking and closure. OIOS' review of i-Need statistics showed that the time taken to close service requests had reduced from an average of 106 days in October 2018 to an average of 16 days in September 2019. Additionally, the Mission had recently established a mechanism to prioritize service requests according to the level of associated risks with a target maximum resolution time of three to four days, and a quality assurance plan and feedback mechanism to measure the quality of work done.

Need to carry out routine camp inspections

12. Due to absence of an established schedule and monitoring mechanism, the Mission was not regularly conducting camp inspections and proactive maintenance on its facilities, which contributed to the deterioration of some facilities. The Mission stated that regular inspections and maintenance work could not be done due to staff constraints. OIOS noted, however, that the Mission could have tasked the contractor or staff of technical units to perform the inspections.

(1) UNISFA should allocate sufficient resources to ensure that regular inspections and proactive maintenance is conducted for all of its facilities.

UNISFA accepted recommendation 1 and stated that it is already implementing a software called iAuditor for monitoring and inspecting the maintenance schedules of equipment and plant. The iAuditor software will trigger needed inspection checks in accordance with the preloaded equipment data. In addition, the Engineering Section and FEMU have developed various templates for unannounced and scheduled inspections of sites and equipment. Recommendation 1 remains open pending receipt of evidence of regular inspection and proactive maintenance being conducted.

Need to improve contractor performance evaluations

13. Regular meetings with the contractor are essential to assess the effectiveness of the contractor's performance of the six types of services. FEMU met with the contractor's representatives on a monthly basis and completed quarterly contractor performance review reports, where several operational issues such as obtaining visas for contractor staff and their on-boarding to mission locations were discussed. FEMU also conducted monthly evaluations of the contractor, but only assessed the contractor's performance of three of the six services. The Mission did not assess the adequacy of fumigation and pest control, cleaning, and waste management services. This was because FEMU did not ensure that all activities were evaluated consistently by coordinating with the relevant technical units. Further, in assessing the performance of the contractor, FEMU did not measure achievement against the agreed upon key performance indicators (KPIs) included in the contract. For example, electrical and heating and ventilation services were evaluated using a questionnaire without assessing the number of complaints as indicated in the contract. As a result, the Mission missed opportunities to address the issues noted during the audit by ensuring that the contractor improved the quality of these services.

(2) UNISFA should regularly conduct contractor performance evaluations for all service types based on the agreed upon key performance indicators.

UNISFA accepted recommendation 2 and stated FEMU was developing monthly evaluation reports that reflect the KPIs under the camp services contract. The performance evaluation will be further improved by the ongoing implementation of the iAuditor software. Recommendation 2 remains open pending receipt of evidence that contractor's performance evaluations are carried out for all service types based on the agreed KPIs.

The Mission needed to assess and manage health and safety risks relating

14. To minimize health and safety risks to its personnel, UNISFA must assess risks and develop a safety management system to mitigate them.

15. The Mission had neither conducted a health and safety risk assessment nor implemented any formal management system to identify, monitor and manage the risks. Also, although there was a field occupational health and safety focal point, there was no system in place to track incidents or accidents. For instance, OIOS observed safety hazards related to exposed electrical wires, unsafe electrical installations and poor hygienic living conditions in the Banton and Abyei camps, but the focal point had no record of them. Additionally, the Security and Safety Section informed OIOS of 12 fires at accommodation units that were caused by electrical faults.

(3) UNISFA should conduct a health and safety risk assessment relating to facilities management, maintain relevant incident data and establish a mechanism to manage the identified risks.

UNISFA accepted recommendation 3 and stated that the Mission is in the process of coordinating a facilities health and safety risk assessment and risk management. Recommendation 3 remains open pending receipt of evidence that the Mission has conducted health and safety risk assessments, and established a mechanism to maintain relevant data and manage the identified risks.

B. Cost recovery and invoice payments

Controls for collection of rent were adequate but cost of utilities were not being recovered

16. UNISFA has, since 2012, a common services agreement with 12 United Nations agencies indicating that the Mission will provide land (at a rate of \$10 per square metre) and facilities management and utilities to the agencies. However, OIOS confirmed that the 18,500 square metres of land occupied by the agencies had been allocated directly to them by the government of Sudan, not to UNISFA. The agencies had their own facilities and support provisions for facilities management and utilities and therefore, no rent and service fees were due to UNISFA from the agencies.

17. The Mission had five resident contractors whose contracts provided for the collection of rent. The Mission was also supposed to recover the cost of utilities plus a 14 per cent administration fee from one of the five contractors. OIOS noted that while the Mission had collected rent for office space and accommodations provided to all the five contractors, charges relating to utilities provided to the one contractor had never been recovered since the contract's inception in October 2013. This happened because FEMU was not aware of the contractual requirement to recover the utility charges. The Mission had not installed utility meters and established recovery rates for utilities and thus found it difficult to estimate the amount recoverable. The Mission stated that it would waive this requirement going forward due to the

practical difficulties, including restrictions imposed by the government to conduct competitive process to source other suitable contractors to work in the Mission area, and the likelihood that the contractor, instead of absorbing the utilities cost, would charge an increased price to the Mission.

Need to recover accommodation charges from United Nations personnel

18. UNISFA is required to deduct monthly rentals from salaries of staff residing in Mission-provided accommodation based on an established rental charge formula and recover 50 per cent of subsistence allowances for accommodation provided to its uniformed personnel and visiting United Nations staff.

19. OIOS' review showed the following:

- A total of 22 personnel who were housed in single accommodations received subsistence allowances at the shared accommodation rate of \$126.25 instead of the single rate of \$116.50. This resulted in under recovery of accommodation costs by approximately \$55,000 for the audit period.
- OIOS' analysis of occupancy records of uniformed personnel for five months showed that accommodation charges for 12 out of 275 uniformed personnel had not been collected. The total uncollected amount for the 12 personnel was \$26,198.
- A review of accommodation cost recovery for a sample of 30 out of 176 visiting staff showed that subsistence allowances totaling \$2,853 were not recovered from 6 of the 30 staff, as they did not declare that accommodation was provided by the Mission when submitting their expense reports in Umoja.

20. The above deficiencies occurred because the Mission and the Regional Service Centre at Entebbe (RSCE) did not have an effective mechanism to accurately collect/deduct accommodation charges, including regular reconciliation of room type to the rate charged, and comparison of occupancy records with payroll deduction data. For visiting staff, there was no procedure to check that staff members declared, in their expense reports, that accommodation was provided by the Organization. This resulted in an under recovery of accommodation charges totaling approximately \$84,051 (\$55,000, \$26,198 and \$2,853).

(4) UNISFA in coordination with the Regional Service Centre in Entebbe should: (a) establish a mechanism to accurately bill and collect accommodation charges from staff and uniformed personnel; and (b) recover accommodation charges of \$84,051 from staff and uniformed personnel.

UNISFA accepted recommendation 4 and stated FEMU will further enhance its monitoring of accommodation occupancy by tracking the number of occupants and duration per room, and updating the Finance Unit on the payments to be made or recoveries to be effected. Recommendation 4 remains open pending receipt of evidence of a mechanism to maintain relevant data and recover \$84,051 from staff and uniformed personnel.

Contractor invoices were not paid in a timely manner

21. The relevant contract clause requires invoice payments to be made to the contractor within 30 days of receipt of the invoice and supporting documents.

22. OIOS' review of all 43 invoices totaling \$4.3 million submitted by the contractor since November 2018 showed that 36 invoices (in the amount of \$3.4 million) took more than 30 days to be paid. Twenty-

three of the 36 invoices took an average of 49 days to process, 8 took an average of 84 days and the remaining 5 invoices took an average of 144 days. Once UNISFA raised service entries in Umoja, RSCE took an average of 19 days to pay the invoices, indicating that the delays were mostly caused by UNISFA.

23. The above occurred mainly due to delays by FEMU in verifying the invoices. This was because they needed to check the number of contractor employees deployed, which was a time-consuming exercise. The contractor expressed frustration with the delays stating that the situation was negatively impacting the performance of the contracted services.

(5) UNISFA should monitor the number of contractor employees deployed on a daily basis to enable prompt verification and payment of contractor's invoices.

UNISFA accepted recommendation 5 and stated that it has now co-located FEMU with the camp services contractor to ensure close coordination. In addition, the camp services contractor has now purchased a biometric facial recognition system to replace the fingerprint system that did not always work with manual workers, which will further quicken the attendance recording of staff and the subsequent invoice verification. Recommendation 5 remains open pending receipt of evidence that the Mission has implemented a suitable mechanism to verify the number of contractor staff deployed to enable prompt verification and payment of invoices.

IV. ACKNOWLEDGEMENT

OIOS wishes to express its appreciation to the management and staff of UNISFA for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of facilities management in the United Nations Interim Security Force for Abyei

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNISFA should allocate sufficient resources to ensure that regular inspections and proactive maintenance is conducted for all of its facilities.	Important	O	Receipt of evidence of regular inspection and proactive maintenance being conducted.	30 April 2020
2	UNISFA should regularly conduct contractor performance evaluations for all service types based on the agreed upon key performance indicators.	Important	O	Receipt of evidence that contractor's performance evaluations are carried out for all service types based on the agreed upon key performance indicators.	28 February 2020
3	UNISFA should conduct a health and safety risk assessment relating to facilities management, maintain relevant incident data and establish a mechanism to manage the identified risks.	Important	O	Receipt of evidence that the Mission has conducted health and safety risk assessments, and established a mechanism to manage identified risks is in place and a system to track and record all safety incidents is in place.	31 March 2020
4	UNISFA in coordination with the Regional Service Centre in Entebbe should: (a) establish a mechanism to accurately bill and collect accommodation charges from staff and uniformed personnel; and (b) recover accommodation charges of \$84,051 from staff and uniformed personnel.	Important	O	Receipt of evidence of a mechanism to maintain relevant data and recover \$84,051 from staff and uniformed personnel.	31 March 2020
5	UNISFA should monitor the number of contractor employees deployed on a daily basis to enable prompt verification and payment of contractor's invoices.	Important	O	Receipt of evidence that the Mission has implemented a suitable mechanism to verify number of contractor staff deployed for timely invoice verification and payment.	31 January 2020

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 UNISFA in response to recommendations.

APPENDIX I

Management Response

NATIONS UNIES



UNITED NATIONS

UNISFA

United Nations Interim Security Force for Abyei
قوة الأمم المتحدة المؤقتة فى ابىي

INTER-OFFICE MEMORANDUM

27 December 2019
Ref: CMS/IOM/19/178

TO: Mr. Daeyoung Park,
Chief, Peacekeeping Audit Service
Internal Audit Division, OIOS

FROM:  Robert Kirkwood
Chief of Mission Support
UNISFA

SUBJECT: **Draft audit report of an audit of facilities management in the United Nations Interim Security Force for Abyei (Assignment No. AP2019/635/02)**

1. Further to your memorandum of 19 December 2019 forwarding the subject draft audit report of an audit of facilities management in UNISFA, please find attached Mission response to the recommendations contained in the report.
2. Thank you and best regards.

cc: Mr. Abdul Wahab, Chief Service Delivery
Mr. Kingsley Urum, Chief Environmental Affairs Unit / Chief Facilities & Environmental Management Unit
Mr. Andrew Ddembe, Environmental Engineer
Mr. Josphat Kariuki, Chief, Audit Response Unit
Ms. Cynthia Avena-Castillo, Professional Practices Section, IAD/OIOS

Management Response

Audit of facilities management in the United Nations Interim Security Force for Abyei

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNISFA should allocate sufficient resources to ensure that regular inspections and proactive maintenance is conducted for all of its facilities.	Important	Yes	Chief Facilities & Environmental Management Unit (FEMU)	April 2020	FEMU is already implementing iAuditor software for monitoring and inspecting the maintenance schedules of equipment and plant. As a result, iAuditor will trigger needed inspection checks, in accordance with the preloaded equipment data as per the manufacturers specifications of equipment. In addition, the Engineering Unit and FEMU have developed various templates for unannounced and scheduled inspections of sites and equipment.
2	UNISFA should regularly conduct contractor performance evaluations for all service types based on the agreed upon key performance indicators.	Important	Yes	Chief FEMU	February 2020	FEMU are developing monthly evaluation reports that reflect the key performance indicators of services performed under the camp services contract. The performance evaluation will be further improved ongoing implementation of iAuditor.
3	UNISFA should conduct a health and safety risk assessment relating to facilities management, maintain relevant incident data and establish a mechanism to manage the identified risks.	Important	Yes	Chief FEMU & Chief Security	March 2020	FEMU and Security Section are in the process of coordinating a facilities health and safety risk assessment and risk management.

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 facilities management in the United Nations Interim Security Force for Abyei

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
4	UNISFA in coordination with the Regional Service Centre in Entebbe should: (a) establish a mechanism to ensure accurate accommodation charges to staff and uniformed personnel; and (b) recover accommodation charges of \$84,051 from respective staff and uniformed personnel.	Important	Yes	Chief FEMU	March 2020	FEMU will further enhance its monitoring of accommodation occupancy by tracking the number of occupants and duration per room, along updating the Finance Unit on the payments to be made or recoveries to be affected.
5	UNISFA should monitor the number of contractor employees deployed on a daily basis to enable prompt verification and payment of contractor's invoices.	Important	Yes	Chief FEMU	January 2020	<p>The Mission now has co-located FEMU staff with the camp services contractor in order to ensure close coordination takes place and documentation is aligned.</p> <p>In addition, the camp services contractor has now purchased a biometric facial recognition system to replace the fingerprint system that did not always work with manual workers, this will further quicken the attendance recording of staff and the subsequent invoice verification.</p>