



## **INTERNAL AUDIT DIVISION**

### **REPORT 2019/150**

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**Audit of management of  
accommodation units and office space  
in the United Nations Mission in the  
Republic of South Sudan**

**The Mission needed to maintain a  
comprehensive database capturing  
information on the status of occupancy of its  
accommodation units and ensure timely  
recovery of rental charges**

**27 December 2019  
Assignment No. AP2019/633/12**

# **Audit of management of accommodation units and office space in the United Nations Mission in the Republic of South Sudan**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of management of accommodation units and office space in the United Nations Mission in the Republic of South Sudan (UNMISS). The objective of the audit was to assess the adequacy and effectiveness of the management of accommodation units and office space in UNMISS. The audit covered the period from 1 July 2017 to 31 July 2019 and included a review of: establishment of memoranda of understanding (MOUs); third party rental invoicing and collection; accommodation occupancy monitoring; management of rental recoveries from staff members; and management of rental charges for transit accommodation.

The Mission needed to maintain a comprehensive database capturing information on the status of its accommodation units and ensure timely recovery of rental charges.

OIOS made six recommendations. To address the issues identified in the audit, UNMISS needed to:

- Establish MOUs or rental agreements with all third parties that specify the rental rates, payment modalities and other relevant terms, and review all existing MOUs to ensure that the fees charged are consistent and cover the cost of services provided;
- Correct the amounts invoiced to tenants in error, provide guidance to staff on invoice processing, and increase recovery efforts to settle invoices totaling \$1.8 million outstanding for more than one year;
- Review and update occupancy reports and ensure that an accurate accommodation database is maintained, accommodation units are properly allocated and rental deductions are promptly initiated;
- Follow up with the Regional Service Centre in Entebbe (RSCE) and the United Nations Volunteers Programme Office to recover outstanding rental charges totaling \$316,200 for accommodation provided and ensure that the Accommodation Management Unit prepares and submits certificates of accommodation to RSCE for timely action;
- Review payroll reports to ensure that the correct rental deduction rates are applied and rental arrears totaling \$379,700 that were incorrectly calculated are recovered; and
- Expedite the reconciliation of transit accommodation bills with travel entitlement claims and take action to recover any unsettled bills.

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

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# **Audit of management of accommodation units and office space in the United Nations Mission in the Republic of South Sudan**

## **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of management of accommodation units and office space in the United Nations Mission in the Republic of South Sudan (UNMISS).

2. As a risk mitigation measure after the conflict between the Government of South Sudan and the opposition forces in July 2016, the United Nations Security Management Team in South Sudan required all UNMISS staff to be accommodated either in UNMISS compounds or approved commercial lodging. Therefore, UNMISS constructed new accommodation units to accommodate all staff and visitors. Also, through Memoranda of Understanding (MOUs), the Mission rented out accommodation units and office space to United Nations agencies, funds and programmes. UNMISS also entered into an agreement with a third-party hotel facility to provide accommodation for official visitors, temporary accommodation for new staff arrivals in the Mission, and staff transiting through Juba.

3. The management of rental charges is governed by the Standard Operating Procedures (SOP) for UNMISS-Provided Accommodation and Rental Deduction, Mission Directive No. 2017/002 on Transit Accommodation Charges, and MOUs between UNMISS and United Nations agencies, funds and programmes.

4. Prior to December 2018, accommodation management functions were undertaken by the Facilities Management Unit in the UNMISS General Services Section. On 1 December 2018, the Accommodation Management Unit (AMU) was established to be responsible for maintaining a complete repository of accommodation units and office space, allocating accommodation units and office space to authorized personnel and entities, and managing and overseeing the end-to-end rental recovery process. AMU is headed by the Chief Accommodation Management Officer at the P-4 level, who reports to the Chief of Service Delivery Service who in turn reports to the Director of Mission Support. The Chief Accommodation Management Officer is supported by a team of 27 staff comprising 4 international staff, 6 United Nations volunteers (UNVs) and 17 national staff.

5. The Mission rental charges billed for accommodation units and office space were \$11 million and \$12 million for 2017/18 and 2018/19 respectively. UNMISS had approximately 2,900 hard wall and prefabricated accommodation units across the Mission.

6. Comments provided by UNMISS are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

7. The objective of the audit was to assess the adequacy and effectiveness of the management of accommodation units and office space in UNMISS.

8. The audit was included in the 2019 risk-based work plan of OIOS at the request of UNMISS management because of the operational and financial risks related to the management of accommodation units and office space in the Mission.

9. OIOS conducted this audit in August and September 2019. The audit covered the period from 1 July 2017 to 31 July 2019. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the management of accommodation units and office space, which included: establishment of MOUs; third party rental invoicing and collection; monitoring of accommodation occupancy; management of rental recoveries from staff; and management of rental charges for transit accommodation. This audit did not include UNMISS accommodation provided to military contingents and formed police units because it is provided free of charge in accordance with the MOUs with Troop/Police Contributing Countries.

10. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) sample testing of rental transactions using statistical sampling methods.

11. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

### **III. AUDIT RESULTS**

#### **A. Management of Memoranda of Understanding**

##### Need to establish and periodically review the MOUs and rental agreements

12. To ensure effective management of rental charges, UNMISS is required to enter into written rental agreements with contractors and MOUs with United Nations agencies, funds and programmes that stipulate the rental payment terms, rights and responsibilities of the parties to rental arrangements.

13. As at 31 July 2019, UNMISS had 22 third party occupants consisting of 13 United Nations agencies, funds and programmes and 9 contractors at 10 locations. However, it had established rental MOUs with only 12 of the 13, which specified the rental rates and other terms of occupancy. The Mission did not have written rental agreements with any of the 9 contractors. The available MOUs did not include the frequency of invoicing for the services provided, an issue discussed later in the report. Also, at seven locations, formal termination agreements related to units vacated by occupants were not available. UNMISS was not regularly reviewing MOUs to ensure that rental fees being charged reflected the current cost of maintaining the accommodation units. For instance, nine MOUs established in 2010 and 2012 had not been reviewed or updated.

14. For three third parties (contractors) without rental agreements and allocated 164 accommodation units, AMU was charging similar rental rates as those charged to Mission staff. However, for the remaining seven entities without written agreement that were allocated 19 accommodation units, different rental rates were charged and invoiced by AMU. There was no documented justification for the differing rates and no evidence that the Director of Mission Support had approved the various rates being charged. For example, a contractor paid \$400 per month for a hard wall accommodation unit regardless of the number of people that occupied the unit, while UNMISS staff who shared hard wall accommodation units paid \$150 per person per month. In addition, UNMISS did not invoice one United Nations agency for the rental of office space because no formal MOU had been established, and because there was no formal agreement specifying the terms, including the rate and space occupied. OIOS was unable to calculate the amount of uncollected rent.

15. The above resulted because of lack of coordination between AMU and the Mission's Legal Affairs Unit to ensure that MOUs and rental agreements were established for all occupants, and MOUs were

periodically reviewed and officially terminated. This exposed the Mission to the risk of disputes of rental amounts charged and potential loss of income from uncollected rent.

**(1) UNMISS should implement a coordination mechanism to: (a) ensure that memoranda of understanding (MOUs) and rental agreements are established with third party tenants that specify the rental rates, payment modalities, and other terms governing the use of accommodation units and office space provided by the Mission; and (b) review all MOUs to ensure that the fees charged are consistent and cover the cost of services provided.**

*UNMISS accepted recommendation 1 and stated that it ensures MOUs are duly executed with United Nations agencies, funds and programmes before providing support. The majority of MOUs have already been revised to reflect updated charges. Several are currently being reviewed, including at least two which were entered into in 2012, and amendments to all MOUs would include proposed billing frequency. UNMISS also stated that it will review the contractual terms for all contractors to ensure each has a valid contract with the applicable charges specified. Recommendation 1 remains open pending receipt of evidence that MOUs and contracts with all tenants are established, reviewed and revised as necessary to reflect current rental charges and billing frequency.*

## **B. Third party rental invoicing and collection**

### Need to strengthen controls over invoicing and collection of rental charges

16. As agreed between the Mission and third parties, the Mission is required to invoice the third party for amounts equivalent to the actual cost incurred by UNMISS. Third parties are required to settle invoices within 30 days.

17. Analysis of rental invoices for the 12 third parties that had MOUs with UNMISS identified that mistakes were made in the invoicing process. There were also delays in issuing invoices, and a register of outstanding unsettled invoices was not maintained. This was due to the lack of supervisory review of invoice processing, lack of guidance on the frequency and timing of raising invoices, and inadequate efforts by AMU and the Budget and Finance Section to collect long outstanding amounts from third parties. For example, as at 31 October 2019, UNMISS had: (a) under-invoiced six United Nations agencies, funds and programmes by \$86,913 and over-invoiced four by \$11,848; and (b) not collected \$9,390 from four contractors for the rental of accommodation units. In addition, a contractor, allocated 132 accommodation units, was only invoiced in June 2019 for accommodation occupied from August 2018 to June 2019 for rentals fees totaling \$232,372.

18. It was also noted that AMU staff raised invoices in a random manner. For instance, invoices for the same tenants were sometimes raised monthly, bi-monthly, quarterly or semi-annually. A review of all 175 invoices for rental charges billed to United Nations agencies, funds and programmes for the audit period totaling \$4.9 million showed that: 32 of them totaling \$623,558 were raised within 14 days after the services were provided; 69 totaling \$2.8 million were raised in advance by an average of 51 days; and 74 totaling \$1.6 million were raised by an average of 72 days after services were provided. Furthermore, as at 3 September 2019, invoices worth \$1.8 million had not been paid for an average of 427 days from the date they were raised. Although OIOS confirmed that the Budget and Finance Section, through the Office of the Director of Mission Support, regularly sent out payment reminders to third parties for unpaid invoices, the long outstanding rental payments increased the risk that they may become uncollectable.

**(2) UNMISS should: (a) correct the amounts incorrectly invoiced to its tenants; (b) provide guidance to Accommodation Management Unit staff on invoice processing; and (c) increase**

**recovery efforts by constructively engaging with third parties to promptly settle outstanding invoices totaling \$1.8 million.**

*UNMISS accepted recommendation 2 and stated that \$76,717 of the under-invoiced \$86,913 had been invoiced and the Mission was reviewing the remaining \$10,196 for appropriate action. Also, UNMISS has started to provide guidance on when to raise invoices, as well as procedures to process service orders. UNMISS has also developed a billing tracking system, aligned to the rates in the MOUs. The settlements for the \$1.8 million are ongoing from United Nations agencies, funds and programmes. Recommendation 2 remains open pending receipt of evidence of settlement of long outstanding rental invoices by United Nations agencies, funds and programmes.*

### **C. Monitoring of accommodation occupancy**

#### Need to strengthen monitoring of the utilization of accommodation units

19. To ensure effective and efficient management of the recovery of rent, AMU is required to prepare and submit monthly accommodation occupancy reports to the Regional Service Centre in Entebbe (RSCE) to facilitate rental deductions from staff members and maintain an accurate database of accommodation units. AMU also needs to prepare regular accommodation occupancy reports for management information on available accommodation units.

20. OIOS' review of the accommodation database, accommodation occupancy reports and data maintained in COSMOS, a centralized web-based information management system, and interviews with AMU staff noted that monthly accommodation occupancy reports: (a) for international civilian staff and international individual contractors submitted to RSCE through COSMOS were not used as the basis for ensuring staff rental deductions; and (b) were not reviewed and used by AMU to identify inaccuracies, such as staff members that were accommodated in Mission premises but had no rental deductions.

21. The accommodation database also contained errors. For instance: (a) 212 staff members were not included in the database; and in other cases data fields were incomplete with information such as the name, staff category, and occupancy status; and (b) the database showed that the United Nations House camp had 69 vacant bed spaces while the rest of the camps had 521 vacant accommodation units/bed space even though the average waiting time for staff to be allocated an accommodation unit was at least three months.

22. The above occurred due to inadequate supervision of AMU staff in ensuring that an accurate accommodation database was maintained and that monthly accommodation occupancy reports were used to ensure all staff members had rental deductions. UNMISS management also did not ensure that AMU had conducted proper inventory of accommodation units and updated the database to rectify any anomalies. The Chief of AMU confirmed that the inventory count had been started and was ongoing.

23. Consequently, there was ineffective management of accommodation units and rental recoveries, as AMU did not know the exact number of accommodation units and bed spaces in the Mission, and the extent of occupancies. There were also delays in initiating rental deductions, exposing the Mission to an increased risk of financial loss through under-utilization of accommodation units and bed spaces.

**(3) UNMISS should systematically review and update occupancy reports and provide adequate supervision of staff responsible for maintaining an accurate accommodation database to ensure, going forward, that accommodation units are properly allocated, and rental deductions are promptly initiated.**

*UNMISS accepted recommendation 3 and stated that since July 2019, a UNV with database administration background was tasked to improve the Field Support Suite records management system. AMU would ensure that a mechanism is in place to identify new arrivals and initiate rental deductions. UNMISS would also review the existing SOP for better coordination with Human Resources Section and RSCE. Recommendation 3 remains open pending receipt of evidence of an accurate accommodation database being maintained, proper allocation of accommodation units, and timely initiation of rental deductions.*

## **D. Management of rental recoveries from staff**

### Controls over rental deductions from staff needed to be strengthened

24. To enable timely, efficient and effective rental recoveries from staff for Mission-provided accommodation units, UNMISS is required to establish adequate procedures and make rental deductions from staff payroll.

25. A review of Umoja wage type reports for staff provided with accommodation units showed that AMU had no monitoring mechanism in place to ensure that all certificates of accommodation were prepared and submitted as required to the UNMISS Human Resources Section for certification and onward transmittal to RSCE to initiate rental deduction through payroll. There was also no mechanism to confirm that RSCE acted on all certificates of accommodation received from UNMISS to ensure accuracy of initial accommodation deductions or any subsequent changes. This could result in non-recovery of rentals from personnel, especially from uniform personnel and UNVs who might not have adequate separation benefits to recover rental arrears when separating from the Organization, as explained in the following paragraphs.

26. Analysis of Umoja wage type reports against the staffing table and accommodation occupancy report for August 2019 showed that no rental deductions were made in respect of 72 of the 795 international civilian staff, even though all 72 staff had been in the Mission for periods ranging from three months to over a year. Subsequent to the audit field work, in September 2019, UNMISS recovered \$29,000 rental arrears from 16 of these staff, and in October 2019, AMU prepared and submitted accommodation certificates for the remaining 56 staff to the Human Resources Section for action. OIOS estimated that the uncollected rentals related to these 72 staff was about \$150,000.

27. For individual uniform personnel, an analysis of Umoja wage type reports for July 2019 showed that 249 of the 1,359 staff deployed had no rental deductions from their monthly mission subsistence allowances for an average of 105 days. OIOS' testing of a sample of 60 of the 249 uniformed personnel confirmed that all of them had been living in Mission-provided accommodation. This partly resulted as: (a) RSCE was not taking timely action to initiate rental deductions, even though AMU uploaded the certificates of accommodation into COSMOS for 33 of the 60 staff; and (b) AMU had not completed the certificates of accommodation in Field Support Suite for 27 staff, citing delays due to non-receipt of completed certificates from field offices delaying their uploading to COSMOS. On the other hand, AMU was not active in following up on the missing certificates or checking with RSCE that action had been taken on submitted certificates. Based on staff check-in dates, OIOS calculated that rent of \$299,640 had not been deducted from allowances paid to the 249 staff as at 31 August 2019. Subsequent to audit field work, AMU prepared accommodation certificates for all 249 staff and submitted them to RSCE. However, as at 31 October 2019, the outstanding rental recoveries were not yet done.

28. OIOS' analysis of rental deductions from the Atlas payroll system reports for UNVs against staffing tables showed that \$16,551 had not been recovered from 56 of the 663 UNVs serving in the Mission during the audit period for the time they stayed in transit accommodation. This was because AMU did not initially



clarify whether the United Nations Volunteers Programme Office had to deduct rentals for the time that staff members stayed in UNMISS transit accommodation. The United Nations Volunteers Programme Manager stated that the rental deductions were being reconciled so that deductions could subsequently be made for transit accommodation bills.

29. The above was due to ineffective supervision and management of deduction and recovery of rental charges as well as inadequate sensitization of staff members on rental deductions. While the audit was ongoing, UNMISS issued a broadcast on 30 August 2019 reminding staff of their responsibility to report if rental deduction was not reflected on their pay slips or the deduction seemed incorrect. Following this broadcast, 40 staff came forward to report the non-deduction of rentals. Also, OIOS confirmed that a presentation on staff's responsibilities for reporting missing and irregular rental deductions was included in the UNMISS staff induction training programme.

**(4) UNMISS should take action to ensure that: (a) the Regional Service Centre in Entebbe (RSCE) recovers outstanding rental deductions from uniformed personnel and civilian staff estimated at \$299,640 and the United Nations Volunteers Programme Office recovers \$16,551 from volunteers; (b) the Accommodation Management Unit prepares and submits certificates of accommodation to RSCE in a timely manner; and (c) Umoja wage type reports are periodically reconciled with accommodation occupancy reports to ensure that correct payments are being deducted.**

*UNMISS accepted recommendation 4 and stated that it successfully recovered \$180,352 in September, October and November 2019 from the 72 international civilian staff reported without deductions at the end of August 2019. Also, it recovered the amounts due from UNVs for transit accommodation bills. UNMISS further stated that accommodation certificates were processed and uploaded in COSMOS for 239 out of 249 individual uniformed personnel reported without deductions. Also, it would implement measures to ensure that AMU is able to prepare and submit accommodation certificates to RSCE for timely action. The Mission stated that it has already implemented recommendation 4 (c) and introduced a monthly reconciliation of wage type reports with monthly occupancy reports against the staffing table to identify international civilian staff without deduction. Deductions for UNVs were being initiated as soon as they checked-in with the Mission. For individual uniformed personnel, UNMISS would conduct a monthly reconciliation of their rental deduction to avoid build-up, instead of a quarterly reconciliation that was already being done. Towards this end, Umoja access for the Manager of the Rent Recovery Cell has already been initiated. Recommendation 4 remains open pending receipt of evidence that: (a) the required recoveries have been made; (b) accommodation certificates are being submitted to RSCE in a timely manner; and (c) monthly reconciliation of wage type reports with occupancy reports are being conducted.*

#### Approved rental rates were not used in computing rental deductions

30. To ensure effective administration of the rental cost recovery process, UNMISS periodically issues Mission Directives outlining rental deduction rates for types of accommodation units applicable to staff categories in the Mission. AMU is expected to ensure that only approved rental deduction rates are used.

31. A review of the June 2019 monthly occupancy report for hard wall accommodation units at the United Nations House Camp against the rental reduction reports noted that incorrect rental deduction rates were used in computing rental deductions. For example:

- Twelve of the 57 UNVs accommodated at the United Nations House were charged \$150 per month instead of the approved \$300.

- Thirty-six of the 61 individual uniform personnel accommodated on single occupancy had incorrect rental deductions. For instance: (a) no rental amounts had been deducted for 8 of them; and (b) against the established rental cost of \$44 per day, 2 personnel had \$11 per day deducted, and 26 had \$22 per day deducted.
- Incorrect deduction rates were used for 49 of the 163 individual uniform personnel accommodated on shared occupancy, as instead of the approved \$22 per day rental deduction rate, 14 had deductions of \$44 per day, 13 had deductions of \$11 per day, while 22 had no deductions.

32. Furthermore, OIOS analysis of the Umoja rental deduction reports for international civilian staff indicated that against the established Mission rates, 22 staff had exceptionally low and 18 had exceptionally high rental reductions for their paygrade average. For example: (a) while the average monthly rental deduction for a P-3 staff accommodated in a prefabricated unit was \$200, seven P-3 staff had average deductions of \$316 and one had a deduction of \$133; (b) while the average deductions for a P-3 staff accommodated in the United Nations House hard wall accommodation was \$337, one P-3 had \$462 deducted, while three staff had \$152 deducted per month.

33. International civilian staff rental rates depended on factors like salary scale and dependency/single rate as well as the type of accommodation they were occupying. Incorrect rates charged resulted as AMU did not process certificates of accommodation when staff members changed accommodation from prefabricated to hard wall accommodation units and did not adequately review the monthly occupancy reports against the rental deduction reports from Umoja to ensure that correct rental deduction rates were applied. Consequently, OIOS calculated, using Mission approved accommodation rates, that UNMISS had not recovered \$379,742 for accommodation provided to uniformed personnel and UNVs at the United Nations House from the date they checked-in up to 31 August 2019.

**(5) UNMISS should review the payroll reports to ensure that correct rental deduction rates are applied and recover rental arrears of \$379,742 due to use of incorrect rental deduction rates.**

*UNMISS accepted recommendation 5 and stated that all international civilian staff with irregular rental deductions were currently under review and would have their accommodation certificates updated and forwarded to the Human Resources Section for recovery. Also, UNMISS would review monthly occupancy reports for UNVs and individual uniformed personnel on the hard wall or prefab accommodation types and sharing basis to ensure recoveries are done for all prior periods. Recommendation 5 remains open pending receipt of evidence of review of payroll reports to ensure that correct rental deductions are applied, and the rental arrears have been recovered.*

Controls over the staff check-out process were improved

34. To ensure transparency and segregation of duties, UNMISS accommodation check-out procedures require the AMU Camp Reception Cell to forward the certificates of accommodation to the Budget and Finance Section for confirmation of full rental recoveries before AMU can approve the staff check-out in FSS. AMU is required to retain the documents obtained from the Budget and Finance Section for audit and monitoring purposes.

35. AMU was, however, approving staff check-out in FSS without obtaining confirmation of full rental recoveries from the Budget and Finance Section. A review of a statistical sample of 93 of the 1,416 staff who checked out of the Mission during the audit period showed that AMU obtained confirmation from the Budget and Finance Section on the staff's status of rental recovery for only 30 staff. For the remaining 63

staff sampled, AMU did not provide the documents on which they based the accommodation check-out approval. OIOS review of the rental deduction report showed that 11 of the 63 staff had no rental deductions at the time of their check-out from the Mission.

36. The above occurred because of inadequate supervision of staff in the AMU Camp Reception Cell to ensure compliance with procedures and inadequate filing of documents. Consequently, UNMISS incurred financial loss for staff that had left the Mission with unsettled rental arrears. However, OIOS noted that a new mechanism for staff check-out was introduced in FSS effective 1 July 2019 that blocked the checking-out of staff member until the Budget and Finance Section had given clearance that all rental deductions were recovered. Furthermore, all check-out documents including clearance from the Budget and Finance Section were to be saved electronically in FSS during the check-out process. In view of the actions taken by UNMISS, OIOS did not make a recommendation.

## **E. Management of rental charges for transit accommodation**

### Need to reconcile transit accommodation bills to ascertain unpaid balance

37. UNMISS provides transit accommodation to its official visitors and staff transiting through Juba at a third party contracted hotel. Mission Directive Number 2017/002 provides the daily accommodation rates and invoice payment modalities for official visitors and staff staying at the contracted hotel.

38. Between July 2017 and June 2019, UNMISS paid \$1.1 million for the rental of the hotel and realized \$1.3 million from staff and visitors who stayed at the hotel. However, a review and analysis of the transit accommodation bills tracking sheet as at 31 August 2019 showed that: (a) AMU had not reconciled accommodation bills worth \$664,988 to confirm whether the bills were deducted from official travel entitlements for an average of 534 days after the visitors and staff had left the hotel; and (b) 72 staff members on non-official travel to Juba had unpaid accommodation bills worth \$21,670 for an average of 523 days contrary to the Mission Directive 2017/002 that requires advance cash payment from staff on non-official travel. As a result, there was a risk of financial loss to the Organization due to failure to recover all outstanding bills. At the time of the audit, AMU and the Budget and Finance Section were in the process of reconciling the outstanding bills and initiating cost recoveries. After the audit, UNMISS issued a broadcast in July 2019 reminding staff to provide their travel request numbers or pay upfront before hotel bookings can be confirmed in line with Mission Directive 2017/002.

**(6) UNMISS should expedite the reconciliation of transit accommodation bills with the travel entitlement claims and recover unsettled bills if any.**

*UNMISS accepted recommendation 6 and stated that 31 staff members paid their bills totaling \$7,469 to the Finance Office and a reconciliation of all transit bills with entitlements would be undertaken. Recommendation 6 remains open pending receipt of evidence that all transit accommodation bills have been reconciled and recoveries made where applicable.*

#### **IV. ACKNOWLEDGEMENT**

39. OIOS wishes to express its appreciation to the management and staff of UNMISS 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 management of accommodation units and office space in the  
United Nations Mission in the Republic of South Sudan**

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	UNMISS should implement a coordination mechanism to: (a) ensure that memoranda of understanding (MOUs) and rental agreements are established with third party tenants that specify the rental rates, payment modalities, and other terms governing the use of accommodation units and office space provided by the Mission; and (b) review all MOUs to ensure that the fees charged are consistent and cover the cost of services provided.	Important	O	Receipt of evidence that MOUs and contracts with all tenants are established, reviewed and revised as necessary to reflect current rental charges and billing frequency.	31 March 2020
2	UNMISS should: (a) correct the amounts incorrectly invoiced to its tenants; (b) provide guidance to Accommodation Management Unit staff on invoice processing; and (c) increase recovery efforts by constructively engaging with third parties to promptly settle outstanding invoices totaling \$1.8 million.	Important	O	Receipt of evidence of settlement of long outstanding rental invoices by United Nations agencies, funds and programmes.	31 March 2020
3	UNMISS should systematically review and update occupancy reports and provide adequate supervision of staff responsible for maintaining an accurate accommodation database to ensure, going forward, that accommodation units are properly allocated, and rental deductions are promptly initiated.	Important	O	Receipt of evidence of an accurate accommodation database being maintained, proper allocation of accommodation units, and timely initiation of rental deductions.	31 May 2020
4	UNMISS should take action to ensure that: (a) the Regional Service Centre in Entebbe (RSCE) recovers outstanding rental deductions from uniformed personnel and civilian staff estimated at	Important	O	Receipt of evidence that: (a) the required recoveries have been made, (b) accommodation certificates are being submitted to RSCE in a timely manner, and (c) monthly reconciliation of	29 February 2020

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> C = closed, O = open

<sup>4</sup> Date provided by UNMISS in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

**Audit of management of accommodation units and office space in the  
United Nations Mission in the Republic of South Sudan**

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
	\$299,640 and the United Nations Volunteers Programme Office recovers \$16,551 from volunteers; (b) the Accommodation Management Unit prepares and submits certificates of accommodation to RSCE in a timely manner; and (c) Umoja wage type reports are periodically reconciled with accommodation occupancy reports to ensure that correct payments are being deducted.			wage type reports with occupancy reports are being conducted.	
5	UNMISS should review the payroll reports to ensure that correct rental deduction rates are applied and recover rental arrears of \$379,742 due to use of incorrect rental deduction rates.	Important	O	Receipt of evidence of review of payroll reports to ensure that correct rental deductions are applied, and the rental arrears have been recovered.	29 February 2020
6	UNMISS should expedite the reconciliation of transit accommodation bills with the travel entitlement claims and recover unsettled bills if any.	Important	O	Receipt of evidence that all transit accommodation bills have been reconciled and recoveries made where applicable.	31 March 2020

# **APPENDIX I**

## **Management Response**



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

DATE: 5 December 2019

REF: OIOS-2019/633/28

FROM: David Shearer  
Special Representative of the Secretary-General  
United Nations Mission in the Republic of South Sudan

SUBJECT: **Response to the Draft Report on the Audit of Management of Accommodation Units and Office Space in the United Nations Mission in the Republic of South Sudan (Assignment No. AP 2019/633/12)**

1. UNMISS acknowledges receipt of the draft report referenced OIOS-2019/633/28, dated 20 November 2019, on the Audit of Management of Accommodation Units and Office Space in the United Nations Mission in the Republic of South Sudan (Assignment No. 2019/633/12).
2. Please find attached the Management Response to the draft audit report.
3. Thank you for your consideration and support.

cc: Ms. Victoria Browning, Director of Mission Support, UNMISS  
Mr. Qazi Masroor Ullah, Chief of Service Delivery, UNMISS  
Ms. Ana Isabel Rodriguez, Senior Administrative Officer, UNMISS  
Ms. Reisi Roselly Pengos Requena, Chief, Accommodation Management Unit, UNMISS  
Mr. Joel Beasca, Audit Focal Point, UNMISS  
Mr. James Suglo, Chief Resident Auditor, OIOS  
Ms. Cynthia Avena-Castillo, Professional Practices Section, IAD, OIOS



## Management Response

### Audit of Management of Accommodation Units and Office Space in the United Nations Mission in the Republic of South Sudan

Rec. No.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of Responsible Individual	Implementation Date	Client Comments
1	UNMISS should implement a coordination mechanism to: (a) ensure that memoranda of understanding (MOUs) are established with third party tenants that specify the rental rates, payment modalities, and other terms governing the use of accommodation units and office space provided by the Mission; and (b) review all MOUs to ensure that the fees charged are consistent and cover the cost of services provided.	Important	Yes	SAO, ODMS  Chief, AMU	31 March 2020	<p>1(a). This is already being implemented.</p> <p>UNMISS ensures that MOUs are duly executed with UN AFPs before providing support. Majority of the MOUs have already been revised to reflect updated charges. Several MOUs are currently being reviewed including at least two (2) which were entered with the agencies in 2012.</p> <p>1(b). UNMISS will review the contractual terms for all contractors to ensure that each has a valid contract with the applicable charges specified.</p> <p>Amendments to all MOUs to include the billing frequency will also be proposed.</p>
2	UNMISS should: (a) take action to correct the amounts incorrectly invoiced to its tenants; (b) provide guidance to Accommodation Management Unit staff on invoice processing; and (c) increase recovery efforts by constructively engaging with third parties to promptly settle	Important	Yes	Chief, AMU	31 March 2020	<p>This recommendation is already being implemented.</p> <p>2(a). Of the \$86,913 reported as under invoiced, UNMISS has processed sales order 60222 for UNDP and sales order 60168 for UNOPS both totaling \$76,716.80. UNMISS will review the balances of over-invoiced and those under-</p>

<sup>1</sup> 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.

<sup>2</sup> 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

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	outstanding invoices totaling \$1.8 million.					<p>invoiced and take appropriate action.</p> <p>2(b). UNMISS has already started to provide guidance on when to raise invoices as well as procedures to process Service Orders. UNMISS has developed a billing track, and this has been aligned to the rates in the MOUs.</p> <p>2(c). The settlements for the \$1.8 million are on-going for the UNAFPs.</p>
3	UNMISS should take action to systematically review and update occupancy reports and provide adequate supervision of staff responsible for maintaining an accurate accommodation database to ensure, going forward, that accommodation units are efficiently allocated, and rental deductions promptly initiated.	Important	Yes	Chief, AMU	31 May 2020	<p>This recommendation is already being implemented.</p> <p>Since July 2019, a UN Volunteer with data administration background was tasked to improve the FSS records management system.</p> <p>Discussions will also be held with staff to emphasize the need for their due diligence in processing accommodation reservations to ensure the correctness of information.</p> <p>The Accommodation Management Unit will ensure that a mechanism is in place that will identify new arrivals and initiate rental deductions.</p> <p>UNMISS will also review its existing SOPs for better coordination with HR and RSCE.</p>

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4	UNMISS should take action to ensure that: (a) the Regional Service Centre in Entebbe (RSCE) recovers outstanding rental deductions from uniform personnel and civilian staff estimated at \$299,640 and the United Nations Volunteers Programme Office recovers \$16,551 from volunteers; (b) the Accommodation Management Unit prepares and submits certificates of accommodation to RSCE in a timely manner; and (c) Umoja wage type reports are periodically reconciled with accommodation occupancy reports to ensure correct payments are being deducted.	Important		Chief, AMU	29 February 2020	<p>3(a). UNMISS has successfully recovered \$180,351.74 within September, October and November 2019 from the 72 International Civilian staff reported without deductions at the end of August 2019.</p> <p>UNMISS has recovered the amounts due from United Nations Volunteers for transit accommodation.</p> <p>Of the 249 IUPs reported without rental deductions, all of their accommodation certificates were uploaded in COSMOS and the November 2019 simulation report for IUP payments indicates that only 10 have not yet received action.</p> <p>3(b). UNMISS will implement a supervisory monitoring mechanism to ensure that the Accommodation Management Unit be able to prepare and submit certificates of accommodation to the Regional Service Centre at Entebbe for timely action.</p> <p>3(c). This is already being implemented.</p> <ul style="list-style-type: none"> <li>• For the international civilian staff, UNMISS has introduced a monthly reconciliation of the Wage Type Report with the Monthly Occupancy Reports against the staffing table to identify staff without deductions.</li> </ul>

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						<ul style="list-style-type: none"> <li>• For UNVs, accommodation deductions are now being initiated as soon as the UNVs check in.</li> <li>• For IUPs, although a quarterly reconciliation of the IUPs' rental deduction is already being done, UNMISS has resolved that this will be done on a monthly basis to avoid build-up. Towards this end, Umoja access by the Manager of the Rent Recovery Cell has already been initiated.</li> </ul>
5	UNMISS should review the payroll reports to ensure that correct rental deduction rates are applied and recover rental arrears of \$379,742 due to use of incorrect rental deduction rates.	Important	Yes	Chief, AMU	29 February 2020	<p>All the international civilian staff with irregular deductions are currently under review and will have their accommodation certificates updated and forwarded to HR for recovery.</p> <p>UNMISS will review the monthly occupancy reports for United Nations Volunteers and IUPs to ascertain the accommodation type (hard wall or prefab) and sharing basis to ensure that recoveries are done for all prior periods.</p>
6	UNMISS should expedite the reconciliation of transit accommodation bills with the travel entitlement claims and recover unsettled bills if any.	Important	Yes	Chief, AMU	31 March 2020	31 staff members had paid invoices worth \$7,469 at the Finance Office and a reconciliation of all transit bills with entitlements will be undertaken.