



# **INTERNAL AUDIT DIVISION**

## **REPORT 2023/026**

---

### **Audit of fleet and fuel management in UNHCR field operations**

**UNHCR needed to reinforce its strategic and operational planning, policy framework, staff capacity, and tools to achieve its strategic objectives of improving vehicle efficiency, enhancing road safety, and minimizing fleet impact on the environment**

**20 July 2023**

**Assignment No. AR2022-161-01**

# **Audit of fleet and fuel management in UNHCR field operations**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of fleet and fuel management in the United Nations High Commissioner for Refugees (UNHCR) field operations. The objective of the audit was to assess whether field operations were managing their fleet and fuel in a cost-effective manner and in accordance with UNHCR's policy requirements. The audit covered the period from 1 January 2021 to 30 October 2022 and included the following areas: (i) operations; (ii) strategic planning and risk management; (iii) control environment; (iv) performance management; and (v) monitoring and oversight.

UNHCR clearly articulated its strategy for fleet and fuel management and embarked on several initiatives to ensure countries had cost-effective, efficient, agile, and reliable fleet operations. Fleet and fuel management was decentralized, with field operations responsible for related activities under the oversight of Regional Bureaus. However, field operations' non-compliance with established procedures resulted in inefficiencies, and UNHCR needed to reinforce the control environment within which fleet and fuel activities were conducted.

OIOS made six recommendations to UNHCR, to:

- Update its vehicle fleet records, right-size the vehicle fleet maintained by field operations and disincentivize the retention of vehicles that reach the disposal threshold;
- Ensure field operations develop plans to drive the implementation of the global fleet strategy at the country level;
- Reinforce capabilities (i.e., staff structures and capacity), the policy framework, systems and tools required for the effective implementation of the fleet strategy;
- Establish a fleet and fuel performance framework and strengthen the collection of related data for measurement of results; and
- Strengthen oversight and support provided by the Global Fleet Management Section and Regional Bureaus to field operations.

UNHCR accepted all recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

# CONTENTS

I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	1-2
III. AUDIT RESULTS	2-11
A. Operations	2-4
B. Strategic planning and risk management	4-5
C. Control environment	6-8
D. Performance management	9-10
E. Monitoring and oversight	10-11
IV. ACKNOWLEDGEMENT	11
ANNEX I	Status of audit recommendations
APPENDIX I	Management response

# **Audit of fleet and fuel management in UNHCR field operations**

## **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of fleet and fuel management in the Office of the United Nations High Commissioner for Refugees (UNHCR) field operations.
2. UNHCR had 8,481 vehicles across 127 field operations as of December 2022, with a net book value of \$343 million. It also had an estimated 1,700 motorcycles in these operations. UNHCR had a 36 per cent net growth in its fleet between 2019 and 2022, 85 per cent of which was used by field operations and implementing partners. Seventy percent of the vehicles were held by 19 field operations primarily in Africa.
3. The UNHCR (2019-2021) fleet and fuel management strategy sought to improve vehicle efficiency, enhance road safety, and minimize fleet impact on the environment. Its core components were: (i) centralized purchase of vehicles to achieve economies of scale; (ii) mandatory vehicle rental and insurance programs for field operations; (iii) monitoring and management of vehicle movements using a tracking system and a fleet management software, FleetWave; (iv) disposal and replacement of vehicles every five years or on reaching 150,000 kilometers; and (v) building staff capacities to related activities.
4. UNHCR decentralized fleet and fuel management to field operations, with Regional Bureaus overseeing and supporting them in related activities. The Division of Financial and Administrative Management, through the Global Fleet Management Unit (GFM), provided strategic guidance, oversight and technical support to field operations and managed the vehicle procurement and distribution under a rental program. UNHCR had 1,801 transport staff worldwide, 1,791 of whom were drivers. The GFM Unit had 39 staff, a budget of \$45 million, and total expenditure of \$76 million in 2020 and 2021.
5. Comments provided by UNHCR are incorporated in italics.

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

6. The objective of the audit was to assess whether UNHCR field operations were managing their fleet and fuel in a cost-effective manner and in accordance with UNHCR's policy requirements.
7. This audit was included in the 2022 risk-based work plan of OIOS because of the large number of vehicles by UNHCR and associated costs.
8. OIOS conducted this audit from November 2022 to March 2023. The audit covered the period from 1 January 2021 to 30 October 2022. Based on an activity-level risk assessment, the audit covered higher risks areas in fleet and fuel management, including: (i) operations; (ii) strategic planning and risk management; (iii) control environment; (iv) performance management; and (v) monitoring and oversight.
9. The audit methodology included: (a) sample testing of fleet and fuel related controls in 14 field operations, namely Kenya, Uganda, Ethiopia, Congo, South Sudan, Cameroon, Mali, Rwanda, Chad, Niger, Algeria, Jordan, Pakistan and Colombia; (b) interviews with UNHCR personnel involved in and review of documents related to fleet and fuel management; (c) analytical review of data from UNHCR enterprise systems<sup>1</sup> as well as FleetWave and the Vehicle Tracking System. The audit was conducted remotely.

---

<sup>1</sup> Financial data from the Managing for Systems, Resources and People (MSRP) and performance data from its results-based management systems, FOCUS and COMPASS

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

### **III. AUDIT RESULTS**

#### **A. Operations**

##### Need to strengthen data reliability

11. UNHCR provides field operations with an agile and reliable fleet to support its delivery of services. Field missions must ensure: (i) fleet sizes and profiles are justified; (ii) the use of vehicles and fuel is regular and efficient, and related costs effectively monitored; (iii) arrangements for repair and maintenance are adequate; and (iv) controls are instituted to mitigate the risks of misuse and loss of vehicles and fuel.

##### **Right-sizing of fleet**

12. Field operations did not conduct needs assessments for vehicles and thus could not justify the profile and size of fleet held as required in UNHCR guidelines. Operations decisions were dependent on available budgets and management perceptions of the transportation needs and thus often resulted in large fleet and/or underutilization of available vehicles. For instance, operations in South Sudan, Chad, and Uganda disposed of 410 vehicles in 2022 which had reached the five-year threshold for disposal and yet their mileage was less than 100,000 kilometers. The field operation in South Sudan had many vehicles that had not moved in over a year. Operations' underutilization of vehicles should have been identified but was not from the Peak-Of-Peak analysis<sup>2</sup>.

13. Additionally, field operations could not justify the 3,284 vehicles (44 per cent of total fleet) that were managed by partners under right-of-use agreements. They also did not have records of motorcycles primarily held by partners because they were regarded as serially tracked items, and, therefore, not subject to GFM rules and procedures. Most motorcycles were distributed to partners for service delivery without controls in place to safeguard the assets, ensure safety of riders and efficient usage, as required in UNHCR rules. Field operations also did not check vehicle utilization nor validate fleet and fuel related data during monitoring visits.

14. GFM had embarked on a fleet right sizing and profiling exercise for 22 of 127 (17 per cent) operations to identify the number of vehicles required to run their operations. However, field operations did not implement the resultant fleet right-sizing plans in a timely manner.

##### **Reliability of vehicle records**

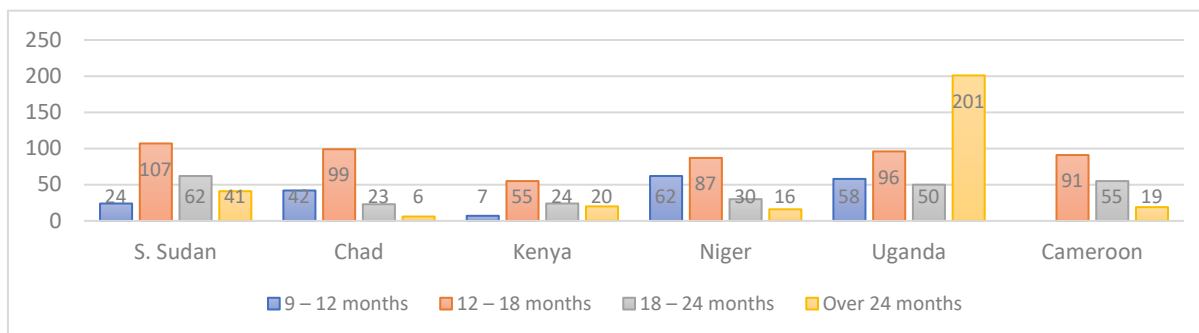
15. The audit identified differences of 1,085 vehicles between the MSRP (7,730) and the GFM quarterly report (6,645) in September 2022. These discrepancies were not identified for rectification during the annual vehicle physical verification processes. The discrepancies were attributed to, amongst other things, GFM basing its records on transmitted signals from the Vehicle Tracking System, yet only 5,811 vehicles (75 per cent) had installed systems. There were also timing differences between GFM and field operations' recognition of vehicles in their respective records, with the former starting to charge countries three months after they were shipped. Field operations on the other hand, only recognized the vehicles in

---

<sup>2</sup> Peak-Of-Peak is an analysis of the utilization of country fleet on a weekly basis to identify spare fleet capacity on the busiest day of each week, excluding private use of vehicles.

their records when received and this, as reflected in Chart 1 created timing differences when there were delays in obtaining tax waivers and customs clearances.

**Chart 1: Operations with vehicles in transit for more than nine months (per FleetWave)**



### Maintenance of fuel and maintenance cost records

16. GFM did not have comprehensive data on costs incurred on vehicle fuel and maintenance. Per Power BI reports, UNHCR spent \$93 million on vehicle fuel and lubricants in the period under audit. However, this did not include fuel provided to partners under partner project agreements (PPAs), for which field operations lacked visibility and accountability. Additionally, the Power BI reports and FleetWave did not record fuel used in generators and motorcycles. Thus, as noted in several OIOS audit reports, operations lacked comprehensive data to inform their allocation of fuel.

17. Most field operations outsourced the management of their fleets and fuel procurement, storage and distribution to partners at an average annual cost of \$1 million per operation. However, these decisions were not informed by cost-benefit analyses nor partner capacity assessments to ensure they were cost-effective. This was noted in several OIOS country audits and resulted in: (i) delays and failures by partners in delivering and accounting for fuel; and (ii) irregularities in fuel and maintenance resulting in recoveries of over \$1.6 million from the partners in Chad, Uganda and Congo. Despite this, these field operations retained the same partners to repair and maintain their fleet. They also held large spare part stocks with some becoming obsolete as vehicle models changed over time. For instance, South Sudan and DRC had to dispose of spare parts totaling \$435,027 and \$433,233, respectively, that were obsolete.

18. Most issues identified by UNHCR’s second<sup>3</sup> and third<sup>4</sup> lines regarding fuel and vehicle maintenance activities remained outstanding at the time of the audit. GFM was in the process of developing an Administrative Instruction to address issues in fuel procurement, storage, distribution, monitoring and reporting activities. It also needed to include vehicle maintenance, so cost-related inefficiencies are addressed. For instance, UNHCR needed to explore the possibility of obtaining and using vehicle warranties from manufacturers’ country representatives. OIOS raises a recommendation under Section C (Operations).

**(1) The UNHCR Division of Financial and Administrative Management should in coordination with Regional Bureaus: (i) conduct comprehensive physical verification of all vehicles and update fleet records accordingly; (ii) ensure that field operations conduct needs assessments to inform the size and profile of fleet held and the allocation of managed fuel for the fleet; (iii) in coordination with the Implementation Management and Assurance**

<sup>3</sup> GFM’s fuel survey in 2020, which resulted in six recommendations to strengthen fuel management in field operations

<sup>4</sup> This followed investigations conducted on fleet and fuel misuse in various field missions

**Service of the Division of Strategic Planning and Results, ensure that field operations strengthen the monitoring and reporting of fleet and fuel-related activities by partners to Programme Units in the field; and (iv) introduce disincentives for the retention of vehicles that have reached the threshold for disposal.**

*UNHCR accepted recommendation 1.*

## **B. Strategic planning and risk management**

### Need to develop operational plans at country level to drive the implementation of the global fleet strategy

19. UNHCR developed a 2018-2021 fleet and fuel strategy to direct its related activities, which it evaluated to address the challenges faced in reaching the strategic objectives and inform the 2021-2025 strategy. The 2021-2025 strategy has four objectives: (i) improving the UNHCR Fleet efficiency; (ii) enhancing safety for UNHCR personnel and other road users; (iii) minimizing the environmental impact of UNHCR vehicle operations; and (iv) strengthening interagency collaboration. However, the strategy had not been translated into operational work plans and this impacted its implementation at country level.

### **Achievement of the strategic objectives**

20. To improve the efficiency of the fleet, UNHCR: (a) implemented a rental and insurance scheme; (b) standardized vehicles; (c) implemented FleetWave, the fleet management software, and the Vehicle Tracking System; (d) disposed of depreciated vehicles; and (e) arranged professional and training for staff. However, as noted in section A, UNHCR's effectiveness in achieving efficiencies was impacted by:

- Field operations lacking the right profile and size of vehicles;
- Ineffective controls by field operations over planning, allocation, management and monitoring of fuel and maintenance costs; and
- Inadequate management of fuel related costs for power generating equipment and motorcycles. For instance, field operations were yet to explore alternative energy sources to fuel for their generators.

21. In line with the United Nations Secretary-General's target, UNHCR aimed to halve global accidents. However, the number of road accidents increased from 340 in December 2020 to 410 as of 9 December 2022, and speed alerts by 55 per cent between January and July 2022. GFM's four road safety projects were still in their infancy stages. For instance, it tracked the number of road accidents but did not analyze their causes for follow up action. An IGO report flagged the 10 countries with the worst record of road accidents, but there was no documentation to evidence actions taken to address the findings.

22. The United Nations set a target to reduce carbon dioxide emissions by 45 per cent by 2030. However, UNHCR's emissions increased from 6,168 to 7,526 tons (22 per cent) between 2021 and 2022. UNHCR had 99 green vehicles in 31 field operations, but this was not in the regions with most vehicles, i.e., Africa and Asia, because they lacked the infrastructure needed for them. Instead, operations in Africa and Asia had oversized vehicles that consumed diesel. This was not only inefficient but also created more emissions. Field operations in these regions explained that they needed large vehicles because of the poor road infrastructure and insecurity, but this was not always the case. In its policy setting role, GFM needed to institute guidelines to ensure that operations have the right profile of vehicles and set targets at headquarters, regional and country levels for the reduction of emissions.

23. In 2022, UNHCR and another United Nations agency launched the One United Nations Fleet Project under the reforms' efficiency agenda. The project builds on the two agencies' experience in setting

up self-sustaining vehicle leasing schemes and aims to leverage this expertise and experience to provide efficient and sustainable vehicle lifecycle management to the entire United Nations system, with an estimated saving of \$450 million. At the time of the audit, a pilot had been initiated to inform the feasibility of the project and its set up.

## Risk management

24. DFAM had one medium risk identified in its risk register, i.e., sub-optimal or unsecure use of fleet resources due to non-compliance with UNHCR policies and procedures. This risk had materialized in most field operations audited, thereby raising the question of the effectiveness of the five actions proposed to mitigate the risk. Some of the mitigating actions also remained outstanding past their due date.

25. The audit also identified recurring instances of non-compliance with UNHCR’s 2015 operational guidelines on fleet and fuel management as reflected in Table 1. Similar instances were identified in the OIOS thematic audit of UNHCR’s fleet management (2016/98) regarding (a) fleet planning; (b) monitoring of fleet performance; (c) management of vehicle rentals; and (d) fuel management and vehicle maintenance and repair. Recommendation 1 addresses these gaps.

**Table 1: Recurrent fleet and fuel management findings in OIOS country audits**

Recurrent issues	Concerned country audits
Inadequate fleet planning and management: No needs assessment conducted to inform fleet-sizes and vehicle and fuel allocation, gaps in reconciling fleet and fuel records with physical counts, obsolete spare parts	Ethiopia (2016, 2019), Nigeria (2018), Kenya (2016), Chad (2019), Uganda (2020)
Ineffective control activities: Absence of standard operating procedures, potential misuse of vehicles, inadequate verification and reconciliation of fuel records, gaps in storage and accounting for fuel, limited computation and analysis of fuel consumption rates	Afghanistan (2018), Ethiopia (2019), Kenya (2019), Uganda (2020), South Sudan (2021)
Gaps in data collection: Delays in recording data and inaccurate fuel consumption entries in FleetWave, lack of visibility of fuel costs especially for generators and motorcycles	Ethiopia (2016), Kenya (2019), Uganda (2020)
Inadequate monitoring and supervision	Ethiopia (2016,2019), Kenya (2016, 2019), South Sudan (2021)

26. There was a need to strengthen the second line of defense (regional bureaus and headquarters) provision of support and/or oversight of field operations.

**(2) The UNHCR Division of Financial and Administrative Management should in collaboration with Regional Bureaus: (i) oversee and/or support efforts by field operations to develop country-specific fleet operational plans to drive the implementation of the organization’s strategic fleet plan; and (ii) reinforce the identification and mitigation of risks that impede the achievement of its strategy by defining risk treatments in the risk register.**

*UNHCR accepted recommendation 2.*



## C. Control environment

### Need to set up the GFM recommended staffing structure in field operations and strengthen the policy framework and implementation of systems and tools

27. UNHCR's vehicle lifecycle management identified people, processes and data as core to effective fleet management from their procurement to their disposal. However, the GFM's Plan-Do-Check-Adjust fleet and fuel model that guided field operations through key fleet management processes was not implemented by most operations audited.

#### **Structure and staff**

28. GFM had 39 qualified staff with experience in fleet management, vehicle tracking, fleet system support, information technology, insurance, rental management, road safety, and asset management. Additionally, the Unit outsourced the monitoring and analysis of data collected to a service provider at a cost of \$931,019 in the period under review. Unlike the two United Nations organizations benchmarked against, UNHCR did not have plans to build GFM's capacity to take on this role.

29. DFAM had not updated the 2015 fleet management handbook to reflect the roles that Bureaus and their Regional Controllers played in overseeing and/or supporting fleet and fuel activities in operations since 2020. There was also a disconnect in the functional reporting of technical experts (green line<sup>5</sup>) with end-to-end fuel processes managed by different functions at the division and country level. Per the Roles, Accountabilities and Authorities (RAAs), fleet and fuel fell under DFAM at Headquarters, but at country level, was handled by administration, program and supply, under the Divisions of Strategic Planning and Results and Emergency, Security and Supply. This affected the monitoring of related activities in field operations.

30. GFM did not have reliable data on staff resources at the country level, with only 15 field operations reported as having fleet and fuel management-related staff. Only six of the reviewed operations had dedicated fleet staff as reflected in table 2. Staff tended to also be United Nations Volunteers or at lower grades than suggested in GFM guidance, with inadequate training, experience and authority to enforce compliance with UNHCR procedures in areas like private use of vehicles and over speeding. Field operations also had more administration vehicles than the number of drivers. The nine sampled field operations had a vehicle/driver ratio for the vehicles in their administrative units that ranged from 1.06 to 4.22 vehicles per driver, as shown in Table 2.

---

<sup>5</sup> The green line represents the line of functional authoritative guidance and support. This line flows from the High Commissioner, Deputy High Commissioner and Assistant High Commissioners to Headquarter Directors and then to the specialist managers in the Bureaus and field operations

**Table 2: Fleet and fuel management staff in the field operations**

Country	Vehicles held	Vehicles used for administration	Number of drivers	Ratio of drivers to administrative vehicles	Recommended staff based on number of vehicles	Staff currently in operation
Niger	215	63	49	1.29	P4	1 P2 (AWF)
Chad	400	134	63	2.13	P4	-
Pakistan	74	38	30	1.27	P3	1 G4
Colombia	36	36	34	1.06	P2	-
Algeria	98	12	8	1.50	P4	-
Kenya	378	194	46	4.22	P4	1 G5
Uganda	677	207	116	1.78	P4	1 P3, 5 UNVs
Jordan	57	53	40	1.33	P3	1 G5
Rwanda	217	59	35	1.69	P4	1 P2 (AWF)

31. GFM had 20 online training courses tailored to staff at different levels. However, the courses were not mandatory and thus most staff in field operations were not aware of and/or had not taken them. This was evident from the limited knowledge of how core fleet systems worked, and this also manifested itself in the quality of data captured. GFM also did not have records reflecting the global completion rates nor effectiveness of the training programs in creating the desired behaviors among staff.

### Tools

32. GFM prioritized fleet automation, with the FleetWave and Vehicle Tracking System devices installed in vehicles to support the collection and analysis of data on fleet utilization, incidents and costs. However, these systems run on different unsynchronized platforms and thus could not provide consolidated data on fleet efficiency nor visibility on global performance. Furthermore, the availability of reliable data was impacted by:

- 1,695 UNHCR vehicles in 76 field operations lacking Vehicle Tracking System;
- Vehicle Tracking System in 1,069 vehicles not transmitting signals.<sup>6</sup> (Transmission rates for the global fleet sat at 69 per cent and 52 per cent in nine of the operations reviewed during the audit);
- Only 33 per cent of UNHCR’s field operations having updated fuel data in FleetWave by December 2022. (Countries with large fleets like Uganda and Chad had entered only 18 and 7 per cent of fuel into the FleetWave respectively);
- Limited staff resources with inadequate training having to manually input data into the FleetWave and Vehicle Tracking Systems; and
- Limited review of data by field operations to identify and rectify anomalies.

33. UNHCR had spent \$16.7 million since the installation of FleetWave and Vehicle Tracking System. There were also manual walk-arounds to the systems with field operations maintaining Excel spreadsheets to collect, record and report different sets of fleet and fuel data. This was due to challenges in accessing the systems from some locations as well as staff non-compliance with established procedures. Thus, because FleetWave and the Vehicle Tracking System were not utilized to their full potential, UNHCR was not reaping the full benefits of the two systems.

<sup>6</sup> Of these, 885 were in-service, and 184 were vehicles that were grounded for various reasons. It was noteworthy that in-service vehicles did not transmit signals when in the UNHCR compound.

## Policies

34. UNHCR's 2015 fleet handbook had not been updated to reflect changes in UNHCR's strategic direction, structure, processes and operating environment. Instead, the handbook was supplemented by administrative instructions, thereby raising the risk that Bureaus and field operations did not have the most up-to-date guidance. The handbook was also overly prescriptive and not principles-based, thereby not giving Bureaus the flexibility to interpret policies based on operations sizes, capacities, risk profiles and mandates in their respective regions.

35. Some areas identified by the third line entities that need updating included the following:

- The IGO identified several instances regarding private use of vehicles by staff. This was attributed to gaps in the policy regarding when personal use of official vehicles was permitted, the authorization required, and where applicable, procedures and rates for cost reimbursement. These weaknesses increased the risks of vehicle misuse and financial losses.
- Available guidance on the countries' development of fleet plans did not consider key parameters such as number of people it served, the number and size of offices, geographical spread, and the operating environment. This resulted in smaller operations like Rwanda having larger fleet than the Mali and Niger operations, which were much bigger countries and had more people to serve and offices.
- UNHCR's policy on disposals also did not make provision for the disposal of vehicles before the mandated 5 years or reaching the 150,000-kilometer threshold for other reasons, e.g., when maintenance costs were high.
- OIOS audits identified gaps in UNHCR's policy on rental of vehicles regarding their justification. Field operations did not have to conduct a comparative advantage analysis to inform their decisions on whether to purchase or rent vehicles. For instance, the Jordan and Pakistan operations rented vehicles three times the value of the vehicles leased from GFM, and this raised questions on whether this represented best value for money. UNHCR also did not cap the maximum value that field operations could spend on vehicle rentals. OIOS noted that the Bangladesh operation rented vehicles worth \$7.5 million and with price differentials ranging from 11 to 112 per cent across partners.

36. These issues had also been identified by the Board of Auditors, Inspector General's Office (IGO) and remained outstanding at the time of the audit.

**(3) The UNHCR Division of Financial and Administrative Management should, in cooperation with the Division of Human Resources conduct a needs assessment to inform the development of a training strategy for field operations in the management of fleet and fuel activities.**

*UNHCR accepted recommendation 3.*

**(4) The UNHCR Division of Financial and Administrative Management should review the fleet and fuel policies and develop a plan to increase utilization of the Vehicle Tracking System and FleetWave.**

*UNHCR accepted recommendation 4.*

## D. Performance management

### Need to reinforce the fleet and fuel performance frameworks and collection of related data

#### **Adequacy of performance frameworks**

37. To ensure that fleet and fuel are effectively managed, it is essential that UNHCR measures performance through its results-based management system. GFM established a framework that listed the indicators and the key outcomes it sought to achieve over time across the three strategic objectives. However, the performance frameworks were inadequate in the following regards:

- GFM did not have key performance indicators (KPIs) for measuring performance against strategic objectives, e.g., fleet maintenance and generators' fuel consumption. KPIs primarily measured vehicle utilization and availability as opposed to cost efficiencies.
- The framework was not translated into indicators and targets against which performance would be measured at regional and country level. For instance, at the global level, UNHCR's reduction of fleet operating costs by 10 per cent was not translated into indicators and targets at the country level.
- The KPIs listed in FleetWave were not aligned to the ones in FOCUS (replaced by COMPASS) and this meant that two data sets were collected. This increased the workload of staff.
- The KPIs were also primarily process and output indicators which did not always provide meaningful information for decision making. For instance, some operations were collecting and reporting on the number of vehicles and repair workshops maintained.
- There was limited standardization of KPIs and few baselines against which performance would be consistently measured across different field operations.

38. While most annual targets were not met, this was not investigated at the headquarters, bureau and country level. For instance, the FleetWave target for the percentage of fleet replaced on time was 20 per cent, but the actual achievement was 4.8 per cent. Furthermore, as already mentioned, a lot of data was collected through FleetWave and the Vehicle Tracking System but was not analyzed to inform decision making at the regional and country levels.

#### **Reliability of performance data**

39. GFM also did not have reliable performance data to inform its strategic planning and decision-making. An analysis of the data entered by 116 field operations into FleetWave, and Vehicle Tracking System showed that it was incomplete, inaccurate and often not timely, as reflected below.

- While UNHCR's target for operations capturing fuel data was 80 per cent of vehicles by November 2022, only 27 operations (23 per cent) reached that target. Out of these 27, 19 operations did not consistently enter fuel data into the systems between January to November 2022.
- Field operations were not reporting maintenance and repair costs data, a key component that needed to be tracked to ensure efficiency.
- There were inconsistencies noted in identification of duplications in FleetWave. For instance, if the same volume of fuel was entered into the system for the same vehicle, it was considered a duplicate entry for fuel consumption despite differences in odometer readings and fuel usage cards.

40. GFM engaged a service provider to strengthen its data analysis capabilities. This included supporting field operations in cleaning and analyzing their FleetWave data. However, the effectiveness of this effort was questioned since high instances of defective fuel and maintenance data entries remained

across many countries, with the operations in Uganda and Sudan having the largest number of inaccurate entries. Additionally, the FleetWave-data cleaning exercise reports only summarized the number of tickets resolved and did not reflect the cases that still needed resolution.

41. The need for strengthening data analysis tools and procedures has been a recurrent recommendation in various oversight reports. For example, from 2016 to 2022, OIOS raised nine fleet and fuel management recommendations on data entry and analysis gaps. The Board of Auditors recommended stricter controls over FleetWave data entry and analysis, and the IGO presented similar recommendations between 2020 to 2022. The issues above were attributed to limited staff capacity to collect, validate and report data in the systems and inadequate monitoring by bureaus and headquarters. As a result, UNHCR lacked reliable fleet and fuel related information and visibility on the achievement of its strategic objectives.

**(5) The UNHCR Division of Financial and Administrative Management should: (i) in collaboration with the Division of Strategic Planning and Results, develop suitable indicators to measure fleet and fuel related performance at country level; and (ii) work with Regional Bureaus to strengthen collection of results against agreed indicators and targets at country level.**

*UNHCR accepted recommendation 5.*

## **E. Monitoring and oversight**

### Need to strengthen oversight over fleet and fuel management

42. As part of the UNHCR decentralization and regionalization process, UNHCR disseminated RAAs in October 2019, which were later updated in November 2022. DFAM, per the RAAs, was responsible for developing normative guidance, setting standards and, through monitoring, ensuring global coherence. The Bureaus were responsible for providing oversight and supporting field operations. DFAM's responsibilities included: (i) planning and implementation of the fleet acquisition and disposal; (ii) timely deployment of the context-appropriate fleet; and (iii) developing fleet and fuel guidance.

43. There was a need for a clearer demarcation of roles and responsibilities at the Division and Bureau levels in the following regards:

- GFM provided technical support to countries during their annual fleet planning processes and profiling and right-sizing assessments. However, GFM should have defined the methodology with the Bureaus for such processes at country level.
- GFM consolidated and shared FleetWave and Vehicle Tracking System data with the Regional Bureaus and field operations. However, there was no systematic review of the data and development of follow up actions to address issues identified at the region and country levels.

44. The responsibility to oversee fleet and fuel activities at the Bureau level was vested with the Regional Controller's office. However, the Bureaus noted that fleet and fuel was not prioritized in the support and oversight missions to field operations. Bureaus were not involved or, where involved, lacked the technical expertise required to support field operations in their determination of the right profile and size of vehicles. The Bureaus attributed this to inadequate staff capacity/training to oversee and/or support field operations.

45. Non-compliance issues that were identified through internal and external audits and investigations had limited follow-up. The Bureaus should strengthen their oversight role to ensure that non-compliance is properly addressed.

**(6) The UNHCR Division of Financial and Administrative Management should, in coordination with the Division of Emergency, Security and Supply and the Division of Human Resources, define the roles, accountabilities, authorities, and the blue and green reporting lines of the Global Fleet Management Section and Regional Bureaus in providing oversight and support to field operations on fleet and fuel management.**

*UNHCR accepted recommendation 6.*

#### **IV. ACKNOWLEDGEMENT**

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

*(Signed)* Anne Rwego  
Chief, UNHCR Audit Service  
Internal Audit Division  
Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of fleet and fuel management in UNHCR field operations

Rec. no.	Recommendation	Critical/ Important <sup>8</sup>	C/ O <sup>9</sup>	Actions needed to close recommendation	Implementation date <sup>10</sup>
1.	The UNHCR Division of Financial and Administrative Management should in coordination with Regional Bureaus: (i) conduct comprehensive physical verification of all vehicles and update fleet records accordingly; (ii) ensure that field operations conduct needs assessments to inform the size and profile of fleet held and the allocation of managed fuel for the fleet; (iii) in coordination with the Implementation Management and Assurance Service of the Division of Strategic Planning and Results, ensure that field operations strengthen the monitoring and reporting of fleet and fuel-related activities by partners to Programme Units in the field; and (iv) introduce disincentives for the retention of vehicles that have reached the threshold for disposal.	Important	O	Receipt of documentary evidence of: (i) physical verification of all vehicles and updated fleet records; (ii) needs assessment reports for field operations reviewed to inform the fleet's size, profile, and fuel allocation; (iii) instituted mechanisms for Programme Units to monitor fleet and fuel-related activities of partners; and (iv) introduced disincentives for the retention of vehicles that have reached the threshold for disposal.	31/12/2024
2.	The UNHCR Division of Financial and Administrative Management should in collaboration with Regional Bureaus: (i) oversee and/or support efforts by field operations to develop country-specific fleet operational plans to drive the implementation of the organization's strategic fleet plan; and (ii) reinforce the identification and mitigation of risks that impede the achievement of its strategy by defining risk treatments in the risk register.	Important	O	Receipt of documentary evidence of: (i) instituted mechanisms to support the preparation of country-specific fleet operational plans to drive the organization's strategic fleet plan; and (ii) revised Division risk register listing risks and related mitigation actions.	31/12/2024

<sup>7</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>8</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

<sup>9</sup> Please note the value C denotes closed recommendations whereas O refers to open recommendations.

<sup>10</sup> Date provided by UNHCR in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of fleet and fuel management in UNHCR field operations

Rec. no.	Recommendation	Critical <sup>7</sup> / Important <sup>8</sup>	C/ O <sup>9</sup>	Actions needed to close recommendation	Implementation date <sup>10</sup>
3.	The UNHCR Division of Financial and Administrative Management should, in cooperation with the Division of Human Resources conduct a needs assessment to inform the development of a training strategy for field operations in the management of fleet and fuel activities.	Important	O	Receipt of documentary evidence of needs assessment report to inform the development of a training strategy for field operations in managing fleet and fuel activities.	31/12/2024
4.	The UNHCR Division of Financial and Administrative Management should review the fleet and fuel policies and develop a plan to increase utilization of the Vehicle Tracking System and FleetWave.	Important	O	Receipt of documentary evidence of the revised fleet and fuel policies and implementation of a plan to enhance the utilization of the Vehicle Tracking System and FleetWave.	31/12/2024
5.	The UNHCR Division of Financial and Administrative Management should: (i) in collaboration with the Division of Strategic Planning and Results, develop suitable indicators to measure fleet and fuel for fleet related performance at country level; and (ii) work with Regional Bureaus to strengthen collection of results against agreed indicators and targets at country level.	Important	O	Receipt of documentary evidence of: (i) indicators to measure fleet and fuel-related performance at the country level; and (ii) a plan to strengthen collection of results against agreed indicators and targets at the country level.	31/12/2024
6.	The UNHCR Division of Financial and Administrative Management should, in coordination with the Division of Emergency, Security and Supply and the Division of Human Resources, define the roles, accountabilities, authorities, and the blue and green reporting lines of the Global Fleet Management Section and Regional Bureaus in providing oversight and support to field operations on fleet and fuel management.	Important	O	Receipt of documentary evidence of revision of roles, accountabilities, authorities, and blue and green reporting lines of the Global Fleet Management Section and Regional Bureaus for providing oversight and support to field operations on fleet and fuel management.	30/06/2024



# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of fleet and fuel management in UNHCR field operations

Rec. no.	Recommendation	Critical <sup>11</sup> / Important <sup>12</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
1.	The UNHCR Division of Financial and Administrative Management should in coordination with Regional Bureaus: (i) conduct comprehensive physical verification of all vehicles and update fleet records accordingly; (ii) ensure that field operations conduct needs assessments to inform the size and profile of fleet held and the allocation of managed fuel for the fleet; (iii) in coordination with the Implementation Management and Assurance Service of the Division of Strategic Planning and Results, ensure that field operations strengthen the monitoring and reporting of fleet and fuel-related activities by partners to Programme Units in the field; and (iv) introduce disincentives for the retention of vehicles that have reached the threshold for disposal.	Important	Yes	Chief of Global Fleet Management Section and Regional Controllers	31/12/2024	No comment
2.	The UNHCR Division of Financial and Administrative Management should, in collaboration with Regional Bureaus: (i) oversee and/or support efforts by field operations to develop country-specific fleet operational plans to drive the implementation of the organization's strategic fleet plan; and (ii) reinforce the identification and mitigation of risks that impede the achievement of its strategy.	Important	Yes	Chief of Global Fleet Management Section and Regional Controllers and Regional Risk Advisors	31/12/2024	No comment
3.	The UNHCR Division of Financial and Administrative Management should, in	Important	Yes	(i) The Controller and	31/12/2024	No comment

<sup>11</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>12</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

<b>Rec. no.</b>	<b>Recommendation</b>	<b>Critical<sup>11</sup>/ Important<sup>12</sup></b>	<b>Accepted? (Yes/No)</b>	<b>Title of responsible individual</b>	<b>Implementation date</b>	<b>UNHCR comments</b>
	cooperation with the Division of Human Resources conduct a needs assessment to inform the development of a training strategy for field operations in the management of fleet and fuel activities.			the Director of DESS (ii) Head of DHR-GLDC and Chief of Global Fleet Management Section		
4.	The UNHCR Division of Financial and Administrative Management should review the fleet and fuel policies and develop a plan to increase utilization of the Vehicle Tracking System and FleetWave.	Important	Yes	Head of Technology and Field Support Unit	31/12/2024	No comment
5.	The UNHCR Division of Financial and Administrative Management should: (i) in collaboration with the Division of Strategic Planning and Results, develop suitable indicators to measure fleet and fuel for fleet related performance at country level; and (ii) work with Regional Bureaus to strengthen collection of results against agreed indicators and targets at country level.	Important	Yes	(i) The Controller and the Director of DSPR (ii) Regional Directors	31/12/2024	No comment
6.	The UNHCR Division of Financial and Administrative Management should, in coordination with the Division of Emergency, Security and Supply and the Division of Human Resources, define the roles, accountabilities, authorities, and the blue and green reporting lines of the Global Fleet Management Section and Regional Bureaus in providing oversight and support to field operations on fleet and fuel management.	Important	Yes	The Controller, the Director of DESS and the Director of DHR	30/06/2024	No comment