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INTEROFFICE MEMORANDUM



MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION I  
OFFICE OF INTERNAL OVERSIGHT SERVICES

TO: Mr. Daudi L. Mwakawago, SRSG  
A: UNAMSIL

DATE: 9 December 2004

REFERENCE: AUD-7-5:53 (0959/04)

FROM:  Patricia Azarias, Director   
DE: Internal Audit Division I, OIOS

SUBJECT: **OIOS Audit No. AP2004/622/08: Audit of Transport Section, UNAMSIL**

OBJET:

1. I am pleased to present our final report on the subject audit, which was conducted by the Office of the Chief Resident Auditor in the United Nations Mission in Sierra Leone (UNAMSIL).
2. We note from your response to the draft report (shown in italics in the final report) that UNAMSIL has generally accepted the recommendations. Based on the response, we are pleased to inform you that we have closed recommendations 6, 8, 9, 11, 14, 16, 18, 19, 20, 21, 22, 25 and 26 in the OIOS database. In order for us to close recommendations 1, 2, 3, 4, 5, 7, 12, 13, 15, 17, 23, and 24, we request that you provide us with additional information as indicated in the text of the report and a time schedule for implementing each of the recommendations. Please refer to the recommendation number concerned to facilitate monitoring of their implementation status. Recommendation 10 has been withdrawn.
3. IAD-I is assessing the overall quality of its audit process and kindly requests that you consult with your managers who dealt directly with the auditors and complete the attached client satisfaction survey form.
4. I take this opportunity to thank the Management and staff of UNAMSIL for the cooperation and assistance extended to the auditors on this assignment.

Copy to: Mr. Jean-Marie Guéhenno, Under-Secretary-General for Peacekeeping Operations  
Ms. Hazel Scott, Director, ASD/DPKO  
Mr. Ronnie Stokes, Director of Administration, UNAMSIL  
UN Board of Auditors  
Programme Officer, OIOS  
Mr. Tilchand Acharya, Chief Resident Auditor, UNAMSIL

# Office of Internal Oversight Services

## Internal Audit Division I



### Audit of Transport Section, UNAMSIL

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**Audit no:** AP2004/622/08  
**Report date:** 9 December 2004  
**Audit team:** Tilchand Acharya, Chief Resident Auditor  
Elias Kedir, Auditor -in-Charge  
Judith Atiagaga, Auditing Assistant

**EXECUTIVE SUMMARY**  
**Audit of Transport Section, UNAMSIL (AP2004/622/08)**

In April 2004, OIOS conducted an audit of the operation of the Transport Section in UNAMSIL. The main objectives of the audit were to ascertain whether (a) resources allocated to the Transport Section were used prudently; (b) vehicles were allocated to the various UNAMSIL entities in line with the Mission's requirements; (c) the vehicles were properly maintained; and (d) the fleet assets were adequately safeguarded.

The UNAMSIL Transport Section manages a fleet of 896 vehicles with their original value estimated at \$23 million. The audit revealed that the reduction in the level of heavy vehicles as troops repatriated was not based on a needs assessment to support the remaining troops. The Mission had an inadequate number of general purpose vehicles, which were essential for its operations. On the other hand, there were too many utility vehicles and minibuses, which were not suitable for the terrains and road condition in the Mission area.

The Military Observers and the Security Section were not provided with an adequate number of vehicles to perform their duties effectively, and the distribution of vehicles allotted to Civilian Police at the team sites was not consistent with the established vehicle ratios. The Dispatch Unit used debilitated vehicles to shuttle staff between work and home and these vehicles were not equipped with radios to communicate with the base office or passengers. Furthermore, most of the drivers operating these vehicles did not have radios and those having the equipment were found not responding to calls.

OIOS also found that no feasibility study was conducted prior to moving the workshop at Kissy to Hastings despite the movement being a major undertaking. The Mission fleet consisted of multiplicity of vehicle models resulting in its inability to carry necessary spare parts, and as a result, causing a high off-road rate of heavy vehicles. The work space of the workshop at Mammy Yoko is too small to accommodate the vehicles it services. The number of vehicles serviced at workshop at Zimmi does not justify its operation. The proposed outsourcing of servicing the light vehicles is not efficient and cost-effective.

Furthermore, an investigation case management application was not formally established to monitor vehicle accidents, and there were 150 investigations cases pending with the property survey boards in the Mission and at Headquarters. UNAMSIL absorbed accident costs totalling \$384,878 as a matter of policy without establishing responsibility for the accidents. The Mission was not availing itself of the services of Reliance Insurance Trust (SL) Ltd. to claim costs of vehicle accidents with third party insurers.

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## I. INTRODUCTION

1. OIOS conducted an audit of the Transport Section in the United Nations Mission in Sierra Leone (UNAMSIL). The audit was conducted in accordance with the standards for the professional practice of internal auditing in United Nations organizations. A draft of this report was provided to the Mission for comments. Responses received from UNAMSIL are shown in italics.

2. The UNAMSIL Transport Section manages a fleet of 896 useable vehicles ranging from 4 wheel drive vehicles to buses, trucks and other heavy machinery. The original value of all useable vehicles is estimated at \$23 million. This number excludes the 70 vehicles written off since the start of the Mission, 40 vehicles waiting to be written off and 16 Toyota 4Runners sent to United Nations Mission in Liberia (UNMIL) in late 2003 to start-off the Mission. The Transport Section has a total of 149 staff, including 21 internationals, 22 UNVs, and 106 national staff. The Section has four units: (1) Fleet Maintenance and Repairs, (2) Regional Transport Offices, (3) Fleet Operational Unit, and (4) Budget and Cost Control Unit.

3. The Vehicle Establishment Committee (VEC) is the supreme authority in the management of the Mission's vehicle fleet. The VEC consists of eight members, (1) Director of Administration who chairs it, (2) Deputy SRSG, (3) Deputy Force Commander; (4) Military Logistics Officer; (5) CIVPOL Commissioner; (5) Chief, Integrated Support Services (ISS); (6) Chief, Civil Affairs Section; and (7) Chief, Transport Section who is the Secretary. VEC's responsibilities include defining and approving the initial vehicle establishment (ceiling), approving vehicle acquisition and disposal, cost estimation and budget submission, and deciding on vehicle mission personnel ratios referred to as VEC ratios for different offices.

## II. AUDIT OBJECTIVES

4. The main objectives of the audit were to assess whether:
- (a) resources allocated to the Transport Section were used wisely;
  - (b) vehicles were allocated to the various UNAMSIL entities in line with the Mission's requirements;
  - (c) the vehicles were properly maintained; and
  - (d) the fleet assets were adequately safeguarded.

## III. AUDIT SCOPE AND METHODOLOGY

5. The review covered the period from 1 July 2002 to 31 March 2004. The operations of the Transport Section were documented using a survey questionnaire. OIOS held discussions with key personnel in the Transport Section and user offices/sections of UNAMSIL, and visited a sample of transport offices and workshops at UNAMSIL Headquarters and in the regions.

#### IV. OVERALL ASSESSMENT

6. The audit found that internal controls were in place and generally working satisfactorily. However, there were a number of areas requiring improvement, such as optimizing the utilization of vehicle fleet, allotting vehicles based on operational needs, management of repairs and maintenance, streamlining of dispatch services, and accident and insurance case management.

#### V. AUDIT FINDINGS AND RECOMMENDATIONS

##### A. Optimum use of vehicle fleet

7. The UNAMSIL vehicle fleet comprises heavy vehicles, 4x4 general purpose vehicles, pickups and minibuses. The Mission's heavy vehicle category consisted of trucks for cargo, fuel, water, vehicle recovery, mobile workshop, freezer, sewage and troop carriers. These vehicles are mainly used for supporting military contingents by transporting them during rotations, relocations and repatriations and distributing food rations, fuel and water among them in different parts of the Mission area. The Mission's civilian component is also supported by these vehicles but to a much lesser extent.

8. OIOS sought to ascertain whether UNAMSIL's vehicle fleet was consistent with the Mission's operational requirements. As discussed below, OIOS found that there were too many heavy vehicles in use despite a reduction in troop strength, and utility vehicles were in excess of their requirement. On the other hand, the number of general purpose essential passenger vehicles was inadequate compared to the needs.

##### Excess heavy vehicles in use despite troop reductions

9. As table 1 below shows, by 31 May 2004, UN troops were reduced from the initial level of 17,500 to 11,265, representing a 36 percent reduction. However, the heavy vehicles were reduced from 196 to 171, only a 12 percent reduction. The reduced level should have been at 126 vehicles, but the Mission is retaining 45 trucks in excess of requirement.

**Table 1: Comparison analysis of reduction of troops and trucks**

Initial troop Strength	Initial number of trucks	Initial Ratio: Truck/soldiers	Current troop Strength	Current number of trucks	Current Ratio: Truck/soldiers	Trucks to be reduced to	Excess number of trucks
17,500	196	1:89	11,265	171	1:66	126	45

10. When the UNAMSIL military component had 17,500 troops, one heavy vehicle supported 89 soldiers. However, this ratio increased to one heavy vehicle for every 66 soldiers by the end of May 2004 when the troop strength stood at 11,265. Therefore, 70 heavy vehicles should have been reduced in order to maintain the same level of cost-effectiveness as before.

OIOS recognizes that it may not be practicable to expect a proportional reduction of heavy vehicles as troops repatriated. Nevertheless, it is important to assess the level of vehicle fleet whenever there is a reduction in troop strength. A lack of effective drawdown plan can be attributed to this discrepancy. Vehicles that are no longer needed should have been normally declared surplus and deployed to other missions or to the United Nations Logistics Base in Brindisi.

### **Recommendation 1**

OIOS recommends that the UNAMSIL Management assess the current level of heavy vehicles in light of the reduction in troop strength, and initiate action in consultation with Headquarters to deploy surplus vehicles to other peacekeeping missions or to the United Nations Logistics Base in Brindisi (AP2004/622/08/01).

11. *UNAMSIL Management accepted this recommendation and stated that assessment of vehicle fleet level is an ongoing process, which is underpinned by the Mission's preliminary assets disposal plan.* OIOS will close this recommendation upon receipt of a copy of the preliminary asset disposal plan dated 23 November 2003 and its last update as of 24 August 2004.

#### Use of utility vehicles to cover for the shortage of passenger vehicles

12. The Mission has a total of 494 light vehicles, and as Table 2 below shows, 89 of them are pickups and 46 are minibuses.

**Table 2: Vehicles in excess of needs**

Category of Vehicles	Total number of vehicles	Engineering Section	Transport Section	Total vehicles in use	Excess vehicles	Percentage (%)
Pick-ups	89	17	10	27	62	70
Minibuses	46	0	22	22	24	52
<b>Total:</b>	<b>135</b>	<b>17</b>	<b>32</b>	<b>49</b>	<b>86</b>	

13. General purpose passenger vehicles are designed to withstand the rough terrain and difficult road conditions and are reasonably comfortable for long distance driving. They are considered to be most suitable and desirable for use in the Mission area, and are critical for UNAMSIL's operations. As utility vehicles, pickups are designed to transport light equipment and are considered to be suitable for use by the Engineering and Transport Sections. On the other hand, minibuses are designed for group transport in areas with good road conditions.

14. OIOS' review of UNAMSIL's light vehicle fleet disclosed that the Mission held excess pickups and minibuses whereas there was a shortage of general purpose vehicles. The current fleet of 89 pickups and 46 minibuses exceeded requirements by 70 percent and 52 percent, respectively. To make up for the shortage of general purpose vehicles, the Mission allotted 62 pickups and 24 minibuses to UNAMSIL entities and individual staff. This adjustment was



necessary because the Mission's vehicle fleet was not configured based on its requirements for a combination of different vehicle categories.

15. UNAMSIL management explained that the procurement of vehicles was the responsibility of the Department of Peacekeeping Operations (DPKO). While OIOS recognizes that DPKO is responsible for procurement of vehicles for missions, the Mission also has the responsibility to identify its requirements according to the terms of reference of the Vehicle Establishment Committee (VEC). As the Mission is at its drawdown phase, UNAMSIL may not be in a position to remedy the situation at this stage. However, as lessons learned, the Mission should advise DPKO of the need to configure vehicle fleets in a manner that is consistent with the requirements and field conditions of each mission in order to prevent repetition of this experience in other missions.

### **Recommendations 2 and 3**

OIOS recommends that UNAMSIL Management:

- (i) Review its present policy of allotting pickups and minibuses to staff in lieu of 4Runners and Nissan Patrols to ensure that staff safety and economy of operations are not compromised (AP2004/622/08/02); and
- (ii) Advise DPKO, through the End of Mission report, to configure vehicle fleet with a combination of categories consistent with mission requirements and field conditions (AP2004/622/08/03).

16. *Management disagreed with recommendation 2 and explained that the Mission rarely allocates minibuses or pick-ups in lieu of Toyota 4Runners or Nissan Patrols.* OIOS is not convinced with this explanation as the Mission carries excess minibuses or pick-ups, which have been issued to staff to make up for the shortages in Toyota 4Runners and Nissan Patrols. OIOS will keep this recommendation open in its database until it is implemented.

17. *Management accepted recommendation 3 and stated that points on vehicle fleet configuration would be included in the end of mission report.* OIOS will close this recommendation from its database upon receipt of a copy of the end mission report.

### **B. Allocation of vehicles**

The actual ratios of vehicle/personnel need to be reviewed

18. Mission vehicles are allocated to the various UNAMSIL entities based on the vehicle/staff ratio established by the Vehicles Establishment Committee (VEC). The VEC used the number of staff and the nature of their duties as criteria for establishing the ratios. As shown in Table 3 below, OIOS found that the actual overall vehicle/ personnel ratios for the Security Section and Military Observers (MILOBS) were lower than the established rate.



**Table 3: Overall distribution of vehicles to critical services**

Entity	VEC Ratio	Total staff	Vehicles Allotted	Actual Ratios
CIVPOL	1:2.5	119	49	1:2.4
MILOBS	1:2.5	260	85	1:3.1
Security	1:2.5	78	13	1:6.0

19. The Security Section had the lowest vehicle/personnel ratio. The review further disclosed that the disparity between the VEC ratio and actual distribution of vehicles in seven of the 13 Civilian Police (CIVPOL) team sites was substantial, as shown in Table 4.

**Table 4: Distribution of Vehicles to CIVPOL by Team Sites**

Team Sites	Kabala	Kissy	Koidu	Lungi	Magburaka	Port Loko	Waterloo
Number of vehicles	1	1	1	1	1	1	1
Number of Officers	4	4	4	5	4	4	4
Vehicle/Officer Ratio	1:4	1:4	1:4	1:5	1:4	1:4	1:4

20. OIOS is concerned that the shortage of vehicles is having an adverse effect on the work of the CIVPOL and the Security Section in conducting their mandated tasks. The mandate of CIVPOL is to assist the Government of Sierra Leone to train its police force. CIVPOL conducts on-the-job training in different locations and requires extensive travel to police stations, crime scenes and court houses. The tasks of the Security Section require mobility for patrolling UN premises, and responding to emergencies immediately. During the audit, the Mission revised the VEC ratios, which improved the allocation of vehicles to the Security Section and CIVPOL but their requirements have not yet been adequately met.

#### **Recommendations 4 and 5**

OIOS recommends that UNAMSIL Management:

- (i) Review the actual vehicle/personnel ratios of the Security Section and MILOBS to ensure that the allocation of vehicles to them is commensurate with their functional requirements (AP2004/622/08/04); and
- (ii) Ensure that internal distribution of vehicles to CIVPOL at team sites is consistent with the established vehicle ratios (AP2004/622/08/05).

21. Management accepted recommendation 4 and stated that the Mission periodically reviews the vehicles held by various sections and makes adjustments to bring vehicle holdings back in line with approved ratios. OIOS will close this recommendation from its database upon receipt of a documentation showing a review of actual vehicle/personnel ratios of the Security Section and MILOBS.

22. *Management disagreed with recommendation 5 and stated that the vehicles assigned to the Civilian Police are in keeping with the established 2.75:1 (currently at 2.4:1) vehicle issue ratio and that the internal distribution of vehicles within the Civilian Police is done at the discretion of the Civilian Police leadership.* OIOS accepts this explanation in principle. However, in view of the concerns of the Civilian Police in some sites, OIOS reiterates that it is the Management's responsibility to monitor enforcement of established vehicle issue ratio by the Civilian Police internally. OIOS will close this recommendation from its database upon receipt of a copy of information circular advising all Section Chiefs to adhere to the established vehicle issue ratio in the allocation of vehicles internally.

### **C. Dispatch service**

23. The Dispatch Unit has a total of 35 vehicles to transport UNAMSIL staff between offices and their residences. The vehicles consist of 14 minibuses, nine 4x4 vehicles (7 Toyota 4Runners and two Nissan Patrols) and 12 medium size buses. Minibuses are used for shuttling staff within Freetown, and medium buses shuttle staff between offices and the eastern outskirts of the city. Two of the 4Runners are used for transporting staff in Jubā Terrace and other parts of the city where the road conditions are poor. The shuttle service operates two shifts everyday: one in the morning and the other in the evening. The night shift ceased to exist effective April 2004, but the Unit arranges transport for staff members working later than 11 pm if advance notification is given. Seven 4x4 vehicles are used as reserves for staff requests for self-driven vehicles or for VIPs and other visitors.

24. The dispatch service is an essential function of the Transport Section providing transport to staff in connection with their official duties. In order to ascertain that the shuttle service operates efficiently and effectively, OIOS observed the road worthiness of shuttle vehicles and the punctuality of vehicle operators in picking and dropping off passengers.

#### Shuttle vehicles are debilitated and were not equipped with communication radios

25. OIOS found that the Dispatch Unit used debilitated vehicles to transport staff. At the time of the audit, over one-third (35 percent) of minibuses were in repair shops. Furthermore, one-third of the shuttle minibuses were not equipped with car or hand set communication radios. In addition, 44 percent of the drivers who were on duty and had hand-held radios did not respond to a test signal, which could be because the radios were not operational or were switched off. The Transport Section explained that the low rate of response from drivers could also be attributed to the technical limitations of the hand-held radios they used.

### **Recommendations 6 and 7**

OIOS recommends that UNAMSIL Management:

- (i) Ensure that all minibuses used for shuttling staff between home and offices are replaced by better quality vehicles in order to improve the service and staff safety (AP2004/622/08/06); and

- (ii) Equip shuttle vehicles with suitable communication radios and require drivers to keep the radios on and to respond to calls from the Dispatch Unit or from staff (AP2004/622/08/07).

26. Management disagreed with recommendation 6 explaining that given the imminent drawdown of the Mission, it is not cost effective to replace the minibus fleet as the undertaking would cost approximately \$675,000. Based on Management's response, OIOS has closed this recommendation in its database.

27. Management accepted recommendation 7 and stated that drivers are trained to monitor their radios while away from the dispatch office and the practice will be reinforced. OIOS will close this recommendation from its database after a random test, in 2005, of communication radios in shuttle vehicles.

### C. Maintenance of vehicles

28. UNAMSIL maintains vehicle workshops at seven locations, i.e. Hastings, Mammy Yoko, Kenema, Koidu, Magburaka, Port Loko and Zimmi. Each workshop has staff ranging from one at Zimmi to 25 at the heavy vehicle repair shop at Hastings. The carwash facilities also have a varying number of staff. OIOS ascertained the consistency between resources deployed and services rendered at each repair shop.

29. OIOS found that, as shown in Table 5 below, the allocation of resources to the workshops was inconsistent with their workload. Weekly completed jobs by each workshop staff ranged between 2 and 6 jobs with the staff in Mammy Yoko workshop carrying out the highest number of jobs with fewer staff. Furthermore, the workshop in Kissy was transferred to Hastings without conducting a feasibility study and the operation of the workshop in Zimmi was not justifiable. The workspace and the carwash resources at Mammy Yoko workshop were inadequate.

**Table 5: Workshop resources and tasks**

S.N	Workshop	Work space (sqm)	workshop staff strength	Vehicles assigned to workshops	Av. No. of weekly jobs completed	Weekly jobs per workshop staff	No. of staff assigned to carwash	Cars washed Per week
1	Hastings:							
	- Heavy Vehicles	221	19	523	40	2	n/a	5
	- Light Vehicles	360	17	241	30	2	3	18
2	Mammy Yoko	200	10	335	64	6	1	44
3	Kenema	220	7	41	15-18	2-3	3	25
4	Koidu	240	3	36	11	4	3	23
5	Magburaka	240	3	29	13	4	3	28
6	Port Loko	344	4	25	10	3	3	23
7	Zimmi	150	1	4	4	4	3	11

### Establishment of workshops at Hastings and Zimmi was not fully justified

30. OIOS visited the workshops at Hastings, Mammy Yoko, Kenema, Magburaka, and Port Loko, and noted that the workshop at Hastings had just been transferred from Kissy. To expand its workspace for heavy vehicles, Hastings workshop was under construction. OIOS was informed that the transfer from Kissy was necessitated by the nearby hazardous dump site and inadequate workspace for heavy vehicles. The decision was also driven by the rental cost of \$8,000 a month at Kissy whereas the site at Hastings was free of cost.

31. There was no evidence of a feasibility study to justify the transfer of the workshop from Kissy to Hastings. The transfer cost was \$443,915. Given the magnitude of the cost and the gradual phasing out of the Mission, such a study would have been in order as a prudent first step. Similarly, the operation of the workshop at Zimmi was not cost-effective. It services only four vehicles a week and this workload does not justify the resources allocated to maintain the workshop. OIOS believes that the workshop should be closed and the vehicles that it serviced should be diverted to other nearby UNAMSIL workshops.

### **Recommendations 8 and 9**

OIOS recommends that UNAMSIL Management:

- (i) Ensure that future major projects involving substantial costs are implemented based on the results of a feasibility study establishing their cost-effectiveness (AP2004/622/08/08); and
- (ii) Close the workshop at Zimmi in view of the limited number of vehicles serviced and divert any affected vehicles to other nearby UNAMSIL workshops (AP2004/622/09).

32. *Management accepted recommendation 8 and stated that this would be implemented before any future project is initiated. With regard to recommendation 9, Management stated that the workshop at Zimmi had been closed.* Based on the Mission's response, OIOS has closed these recommendations in its database.

### Inadequate workspace and carwash resources at the Mammy Yoko workshop

33. OIOS noted that the workspace of 200 square metres at the Mammy Yoko workshop was inadequate, considering that it serviced 355 vehicles. Furthermore, the outdoor area was not paved to accommodate minor servicing of vehicles such as changing tires. If paved, the workshop could service the assigned vehicles with efficiency and reduce the vehicle off-road rate in the Mission.

34. OIOS also observed long lines of vehicles waiting to be washed at the Mammy Yoko carwash facility. The larger of the two carwash machines at the Mammy Yoko workshop had not been operating when OIOS visited the facility. Only one person was assigned to wash the vehicles, and the facility was closed when the staff member took time off.

35. The Transport Section managed the carwash facility at the Mammy Yoko workshop whereas the service was outsourced in other workshops. On an average, the carwash plant at the Mammy Yoko workshop washed 15 vehicles a week. By contrast, the outsourced carwash facilities washed 3 to 7 vehicles and had 3 staff in each facility. Consequently, there were long lines of vehicles waiting to be washed due to shortage of staff and a disabled machine. In fact, it was common that cars were picked up unwashed after being queued in line for days. It is, therefore, important that the staffing of the carwash facility in Mammy Yoko is strengthened or the service is outsourced in order to ensure that UNAMSIL staff receive adequate carwash service.

### **Recommendations 10 and 11**

OIOS recommends that UNAMSIL Management:

- (i) Pave the outdoor workspace at the Mammy Yoko workshop so that minor repair service could be undertaken in open area given the workshop's limited indoor workspace (AP2004/622/08/10); and
- (ii) Review the carwash service at the Mammy Yoko workshop in order to improve its efficiency (AP2004/622/08/11).

36. *Management disagreed with recommendation 10 stating that the Mammy Yoko Workshop has a daytime shift of one supervisor and three technicians. The nighttime shift has one supervisor and two technicians, and therefore, paving the area outside of the workshop would add very little to repair efficiency or capacity as sufficient hardstand is now available.* Based on the Mission's response, OIOS has withdrawn recommendation 10.

37. *Management accepted recommendation 11 and stated that the combination of carwash services allows vehicles to be returned in a timely manner.* OIOS has closed this recommendation.

### Mission needs to standardize its heavy vehicle fleet

38. The workshop in Hastings carried 84,300 items of spare parts inventory valued at \$1.8 million with 6,200 different line items. The Mission's vehicle fleet consisted of 68 different vehicle models requiring the workshop to carry and manage spare parts inventory on a large scale.

39. During a visit to the Hastings workshop, OIOS observed a number of heavy vehicles in queue for an extended period of time because of unavailability of spare parts. For example, there were 20 heavy vehicles at the workshop during 26 April through 02 May 2004, and ten of them were waiting for spare parts. The repair shop's Manager in Hastings explained that because the fleet had multiplicity of models of heavy trucks and buses, it was not possible to stock sufficient spare parts for all vehicle models. As a result, the vehicle off-road rate for heavy vehicles

(trucks and buses) was 33 percent compared with 9 percent for the light vehicles. The situation was further exacerbated by long procurement lead-times for spare parts.

40. The Transport Section agreed that there was no rationale for diversifying the models of the vehicles in the Mission, and that standardization of the fleet was necessary. Standardization would reduce the vehicle-off-road rate and save costs on spare parts from economies of scale in procurement. However, standardizing the vehicle fleet in UNAMSIL at this time is not feasible as the Mission is drawing to a close. Nevertheless, UNAMSIL should share this experience with DPKO as lessons learned for the benefit of future peacekeeping missions.

### **Recommendation 12**

OIOS recommends that the UNAMSIL Management advise DPKO to standardize vehicle fleet in future missions to achieve efficiency and cost-effectiveness in vehicle maintenance and to keep vehicle off-road rate at a minimum (AP2004/622/08/12).

41. *Management accepted recommendation 12 and stated that it will be forwarded to DPKO.* OIOS will close this recommendation upon receipt of a copy of the transmittal note to DPKO.

### Management of spare parts inventory at UNAMSIL warehouses needs improvement

42. As part of the audit, OIOS reviewed spare parts warehouses in order to ascertain their physical safety, accuracy of inventory records, and efficiency and effectiveness in monitoring stock levels. OIOS found that inventory records of spare parts at the Hastings warehouse were not accurate, and the inventory of spare parts at the regional warehouses was not integrated with the Field Asset Control System (FACS). Furthermore, the warehouses lacked an inventory tracking system to monitor stock levels of spare parts.

43. At the time of the audit, the transfer of Kissy warehouse to Hastings was still in progress. Therefore, the Mission conducted a physical count of the spare parts inventory using limited sampling of stock. The physical count showed inconsistencies between the actual number of spare parts counted and the number recorded in FACS, reflecting higher quantities in the FACS records. Management explained that the discrepancies may have resulted from errors on the part of the spare parts issuing officer by recording issues under the wrong inventory items. Furthermore, the FACS records still showed the spare parts locations of the old warehouse. The tires stored in containers were not arranged in tire racks with proper gangways for easy verification. Management assured OIOS that these deficiencies would be addressed during the formal transfer of the warehouse.

44. Spare parts warehouses lacked an inventory tracking system to show stock levels triggering procurement actions in a timely manner to replenish stocks. Currently, the Mercury procurement system is not integrated with FACS, requiring manual re-input of spare parts with 6,000 different line items. Absence of such a mechanism slows down the acquisition of spare parts and increases the vehicle off-road rate of the Mission vehicle fleet. Furthermore, the spare



parts held at each of the seven workshops in the regions were not recorded in the FACS. Management explained that they would be on the FACS soon.

### **Recommendations 13-15**

OIOS recommends that the UNAMSIL Management:

- (i) Reconcile and fully account for the discrepancies between the physical count of spare parts and FACS records at Hastings warehouse (AP2004/622/08/13);
- (ii) Integrate the spare parts inventory at all regional warehouses with the FACS records (AP2004/622/08/14); and
- (iii) Assess the possibility of integrating FACS with Mercury to strengthen inventory tracking system in all warehouses and to monitor stock levels (AP2004/622/08/15).

45. *Management accepted recommendations 13, 14 and 15. Recommendation 14 had been implemented.* OIOS will close recommendations 13 and 15 upon receipt of a copy of evidence: (a) reconciling the discrepancies between the physical count of spare parts and FACS records in Hastings warehouse; and (b) assessing the possible integration of FACS and Mercury/Galileo. Recommendation 14 has been closed in OIOS' database.

#### Proposed outsourcing of light vehicle maintenance is not viable

46. UNAMSIL Management has considered outsourcing maintenance of light vehicles as an option with a view to keeping the vehicle off-road rate down. In order to test the option, the Transport Section selected three vendors, namely John Michael Motors, Motorcare, and Dad Car Center as a pilot project. The pilot project involved repairing Toyota 4Runners over the period of 8 August to 3 December 2003. The vendors were provided with necessary spare parts and their performance was rated based on quality of work, turnaround time and labor costs.

47. The pilot project showed that the work of all the three vendors was generally satisfactory. However, the vendors' turnaround time was considerably lower than UNAMSIL's light vehicle workshops. It took them between 5 and 18 days to do jobs that typically took 2 to 3 days at UNAMSIL's light vehicle workshops. The labor costs were also found to be higher than the costs at UNAMSIL workshops.

48. Therefore, the proposal to outsource the maintenance of light vehicles did not achieve the expectation of reducing the vehicle off-road rate and was not cost-effective when compared with costs at UNAMSIL workshops. It is OIOS' view that the Mission should not outsource the service at this stage. Nevertheless, the vendors identified in the pilot project could be considered for outsourcing the maintenance of residual light vehicles when UNAMSIL gradually phases out its workshops at Mammy Yoko and Hastings.



## **Recommendation 16**

OIOS recommends that UNAMSIL Management should not outsource the light vehicle repair work as the results of the pilot project failed to reduce the vehicle off-road rate and was not economically viable (AP2004/622/08/16).

49. *Management accepted recommendation 16.* OIOS has closed this recommendation in its database.

### **E. Road traffic accidents and insurance**

#### Investigations case management tool needs to be formally established

50. OIOS reviewed the statistics of road traffic accidents and the actions taken by the Mission for the period 1 July 2002 to 31 March 2004, and noted that a total of 882 traffic accident cases were reported to the Security Investigations Unit (SIU) during the period. Of this number, 759 cases had been closed while the rest were ongoing.

51. The SIU had been using a manual Excel spreadsheet to record and monitor their status since the Mission's inception until March 2004. However, the SIU found the spreadsheet to be difficult to analyze the ageing of the cases because the users were inputting information with different date formats. To ease this difficulty, the SIU adopted a Lotus Notes-based Accident & Incident Database, which was applied at the United Nations Mission in Ethiopia and Eritrea (UNMEE). The system was, however, not supported in UNAMSIL as it was not a standard information technology application. Furthermore, there was only one staff member in the Information Technology Unit (ITU) who was familiar with the operations of the database. In the absence of the staff member, the SIU had to consult the UNMEE staff who developed the system. This has resulted in delays to process accident and incident cases in the SIU. UNAMSIL should officially establish this database as a standard tool to record and monitor investigation cases in the Security Section.

## **Recommendation 17**

OIOS recommends that the UNAMSIL Management formally establish the accident and incident database as a standard application in the operation of the Security Investigations Unit with necessary training and support from the Information Technology Unit (AP2004/622/08/17).

52. *Management accepted recommendation 17 and stated that the Transport Section has established a database from which 653 claims files were produced for processing. However, the Mission will review the cost-effectiveness of using this database as a standard application for the Security Section.* OIOS will close this recommendation upon receipt of a copy of instruction establishing the accident and incident database as a standard application in the Security Investigations Unit.

### Mission absorbed accident costs without establishing responsibility for accidents

53. Our review of the statistics provided by the Board of Inquiry (BOI), the Claims Unit and the Property Survey Unit (PSU) for the period 1 July 2002 to 31 March 2004 showed that the Mission absorbed a total of \$384,878.46 in traffic accident costs. The Local Property Survey Board (LPSB) received a total of 747 traffic accident cases totaling \$137,837.92 with a claim of less than \$1,500 each for administrative write-off. Furthermore, a total of 42 'A' cases relating to traffic accidents totaling \$247,040 were processed by the LPSB.

54. The Mission absorbed many accident costs without establishing the party responsible for causing the accidents. OIOS believes that UNAMSIL needs to determine the circumstances and responsibility for the accidents. If accidents are of repetitive nature involving the same staff member, the Mission needs to determine whether such staff members should be allowed to continue driving UN vehicles.

#### **Recommendations 18 and 19**

OIOS recommends that the UNAMSIL Management:

- (i) Review the Mission's current practice of absorbing vehicle accident costs without establishing accountability for accidents (AP2004/622/08/18); and
- (ii) Monitor the accident statistics with a view to determining whether UN personnel with repetitive accidents should continue driving UN vehicles (AP2004/622/08/19).

55. *Management disagreed with recommendation 18 stating that the authority to absorb accident costs lower than \$1,500 rests with the Director of Administration. In accordance with the Mission's surcharge policy, such costs are absorbed in the absence of evidence of gross negligence on the part of UNAMSIL personnel.* OIOS accepts this explanation and has closed recommendation 18.

56. *Management accepted recommendation 19 and stated that a system is already in use. Although not common, the Mission conducts retest for drivers with repetitive offences, or at times after a period of lengthy suspension.* Based on the Mission's response, OIOS has closed recommendation 19.

### Pending investigation cases

57. The processing of vehicle accidents cases involves the SIU and the LPSB. The LPSB examines accident damage and determines whether vehicles involved in accidents should be written off. It makes these determinations based on, inter alia, accident reports from SIU. In order to ascertain whether the investigation cases were processed in a timely manner, OIOS

examined cases pending with LPSB and Headquarters Property Survey Board (HPSB) for the period from November 2000 to March 2004.

58. As shown in the Table 6 below, there were 150 pending investigation cases as of 31 March 2004.

**Table 6: Pending investigation cases**

Period	No. of cases Pending with		
	LPSB	HPSB	Total
Dec. 2000 to Nov. 2003		16	16
June 2003 to March 2004	38		38
April 2003 to March 2004	96		96
<b>Total:</b>	<b>134</b>	<b>16</b>	<b>150</b>

59. Of the 134 cases pending with LPSB, 38 cases did not receive security reports from SIU and could not be processed. The SIU informed OIOS that 15 of the cases had not been reported to the Security Section and contended that the rest had been investigated and reported to LPSB. The remaining 96 cases were pending because the PSU had not received the Damage and Discrepancy Report (DDR) from the Transport Section. The Transport Section, however, confirmed only 29 cases pending with it adding that most of those cases did not require any DDR.

60. OIOS believes that as a matter of procedure, all incidents/accidents should first be reported to the SIU, as previously recommended in 2002 (AP2001/75/9(OBS-15/01) refers). The Security Section should submit all the necessary information and documentation to the LPSB to facilitate its work. OIOS reiterates the need for the SIU to conduct investigations and submit reports to LPSB to ensure cases are closed in a timely manner.

### **Recommendations 20 and 21**

OIOS recommends that UNAMSIL Management:

- (i) Require UNAMSIL staff to report all incident/accident cases to the Security Investigations Unit as the first point of registering incidents/accidents (AP2004/622/08/20); and
- (ii) Ensure that the Security Section forwards all investigation cases to the Local Property Survey Board only with complete documentation to facilitate their work (AP2004/622/08/21).

61. *Management accepted recommendation 20 and clarified that the vehicle handbook and administrative circulars emphasize the reporting of incidents/accidents. With regard to recommendation 21, the Security Section is aware of the need to forward all investigation cases to the Local Property Survey Board. OIOS has closed recommendations 20 and 21 in its database.*

62. The audit also identified 16 accident cases opened between December 2000 and November 2003 involving \$31,748.26 as staff member's liability. These cases were submitted to HPSB for approval. In the meantime, the Finance Section has withheld the amount from the staff concerned pending approval by the HPSB. The PSU has been following up with the HPSB to expedite the process. However, the Board has not yet approved the cases claiming to be understaffed and preoccupied with other more urgent cases.

### **Recommendation 22**

OIOS recommends that UNAMSIL Management draw DPKO's attention to follow up cases pending with the Headquarters Property Survey Board to expedite settlement of surcharges withheld from staff members (AP2004/622/08/22).

63. *Management accepted recommendation 22 and stated that the Property Survey Unit follows up regularly with HPSB on outstanding cases.* OIOS has closed this recommendation.

### Finance Section and Claims Unit should reconcile their records on insurance claims

64. UNAMSIL has entered into a contract (SIL/03/TPT/003) with Reliance Insurance Trust Corporation (SL) Ltd. (RITCORP) for the provision of third party liability insurance coverage for the Mission's vehicle fleet. The contract is in effect since 1 February 2004. The contractor is authorized to pay compensation on behalf of UNAMSIL for up to one million Sierra Leonean Leones. RITCORP also pays insurance claims in excess of one million Leones but with authorization from UNAMSIL. The excess amount is reinsured by American Life Insurance Company (ALICO). After payment has been made to the third party by RITCORP, UNAMSIL pays the excess amount to RITCORP and then claims reimbursement from ALICO.

65. The records at the Claims Unit showed that \$18,468.54 relating to seven cases had been paid by UNAMSIL to RITCORP and was pending reimbursement by ALICO. OIOS confirmed that all discharge forms, security reports and military police reports had been forwarded to ALICO in May 2004 and the Mission was awaiting a response.

66. ALICO owed \$36,358.32 to UNAMSIL towards reimbursement. Of this amount, \$20,889.84 related to 11 insurance claims pertaining to vehicle accidents and the remaining \$15,468.48 related to aviation claims. The records at the Finance Section showed that \$20,889.84 for vehicle accidents was outstanding since July 2003. There was no evidence of any follow up actions to settle the outstanding reimbursement from ALICO. OIOS also noted that the Claims Unit closed cases when RITCORP paid the third party, instead of closing after receipt of reimbursement from ALICO. This could result in discrepancies between the records of the Finance Section and the Claims Unit. It is important that when the settlement is made by ALICO, both the Finance Section and the Claims Unit update their records to be able to monitor outstanding claims effectively and take follow up actions with ALICO in a timely manner.

## **Recommendations 23 - 25**

OIOS recommends that:

- (i) The UNAMSIL Finance Section and the Claims Unit reconcile their records pertaining to outstanding reimbursements from the American Life Insurance Company (AP2004/622/08/23);
- (ii) The UNAMSIL Claims Unit close case files only after reimbursements have been received from the American Life Insurance Company in cases of third party claims of over one million Sierra Leonean Leones (AP2004/622/08/24); and
- (iii) The UNAMSIL Claims Unit follow up with the American Life Insurance Company to settle all outstanding reimbursements (AP2004/622/08/25).

67. *Management accepted these recommendations and indicated that necessary actions had been taken.* OIOS has closed recommendation 25. However, recommendations 23 and 24 will remain open until receipt of documentation showing: (a) reconciliation between the Finance Section and the Claims Unit pertaining to outstanding reimbursements from the American Life Insurance Company; and (b) establishing procedures requiring the Claims Unit to close case files only after reimbursements have been received from the insurance company in cases of third party claims of over one million Sierra Leonean Leones.

### Inability to submit claims to third party insurers

68. Damage to UNAMSIL vehicles by third parties are not compensated by their insurers. The Claims Unit expressed difficulty in filing claims against third party insurers because the drivers either did not provide their insurance details or their vehicles had no insurance. The Unit contacted the third party insurers who provided their addresses but could not receive a response. It should be noted, however, that RITCORP had offered, as part of their bid, to assist UNAMSIL in collecting compensation for damages to UNAMSIL property, including vehicles. RITCORP offered to charge a minimal service fee based on the amount recovered on a case by case basis. There, was, however, no evidence that UNAMSIL availed of this service.

69. OIOS also found that there were 94 vehicle accident insurance cases pending with the Claims Unit. The accidents occurred between July 2001 and March 2004 involving third parties. Most of the cases were not resolved because third parties have not yet filed their claims. The cases may remain outstanding beyond the liquidation of the Mission and third parties may submit their claims thereafter. Therefore, UNAMSIL may consider making an arrangement with RITCORP to settle such cases amicably.


### **Recommendation 26**

OIOS recommends that UNAMSIL Management consider using RITCORP as an agent to collect compensation for damages caused to UNAMSIL vehicles and other property and to settle pending insurance claims with the Organization after the Mission is closed (AP2004/622/08/26).

70. *Management accepted recommendation 26 and stated that it will review this option when the mission closes.* Based on the Mission's response, OIOS has closed this recommendation.

### **VI. ACKNOWLEDGEMENT**

71. We wish to express our appreciation to the UNAMSIL Management for the assistance and cooperation extended to the auditors during this audit.

  
Patricia Azarias, Director  
Internal Audit Division I, OIOS