



OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

UNDOF Support Services

Reorganization of the structure and strengthening of internal controls will add to the effective delivery of UNDOF's Support Services

12 August 2009

Assignment No. AP2008/670/01

United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES - BUREAU DES SERVICES DE CONTRÔLE INTERNE
INTERNAL AUDIT DIVISION - DIVISION DE L'AUDIT INTERNE

TO Major General Wolfgang Jilke
A Force Commander and Head of Mission
United Nations Disengagement Observer Force

DATE: 12 August 2009

REFERENCE: IAD: 09-07759

For William Peterson
FROM: Fatoumata Ndiaye, Acting Director
DE: Internal Audit Division, OIOS

SUBJECT: **Assignment No. AP2008/670/01 - Audit of UNDOF Support Services**

OBJET:

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we are pleased to inform you that we will close recommendations 2 and 11 in the OIOS recommendations database as indicated in Annex 1. In order for us to close the remaining recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.
3. Your response indicated that you did not accept recommendation 10. In OIOS' opinion however, this recommendation seeks to address a significant risk area. We are therefore reiterating it and requesting that you reconsider your initial response based on the additional information provided in the report.
4. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendations 1, 6 and 9) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Roy Joblin, OIC Mission Support, UNDOF
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Susanne Freuh, Executive Secretary, Joint Inspection Unit
Mr. Seth Adza, Chief, Audit Response Team, DFS
Mr. Moses Bamuwamye, Chief, Oversight Support Unit, DM
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Ms. Eleanor T. Burns, Chief, Peacekeeping Audit Service, OIOS

INTERNAL AUDIT DIVISION

FUNCTION

"The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization" (General Assembly Resolution 48/218 B).

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EXECUTIVE SUMMARY

UNDOF Support Services

OIOS conducted an audit of support services in the United Nations Disengagement Observer Force (UNDOF). The overall objective of the audit was to assess the adequacy and effectiveness of internal controls over its support operations. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

Generally, the Mission provided reliable and well managed support services. However, OIOS identified opportunities for improvement as follows:

- UNDOF had not reviewed its support services in order to integrate the civilian and military operations into unified organizational structures;
- Adequate documentation was not maintained to support the Portfolio of Evidence for the Mission's 2007-2008 Results Based Budgeting performance report;
- UNDOF did not periodically inspect facilities and conduct physical verification of property. There was thus a high risk of irregularities and inaccurate reporting of inventory;
- The Mission's disaster recovery and business continuity infrastructure was not complete as it has not yet set up its second data center away from the primary data center;
- Contrary to Financial Rule 105.21, UNDOF reduced the value of its spare parts from \$3.40 million to \$0.89 million in its inventory records without reviews by the Local Property Survey Board and the Board of Inquiry and that this adjustment had no supporting documents;
- The Mission established its vehicle requirement without taking into account the Mission's vacancy factor and the vehicle allocation was not in line with the Standard Cost and Ratio Manual; and

OIOS has made a number of recommendations to address the issues identified so as to further strengthen existing controls and contribute to improved support services in UNDOF.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of support services in the United Nations Disengagement Observer Force (UNDOF). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. The Security Council Resolution 350 (1974) called for creation of the United Nations Disengagement Observer Force (UNDOF) with an overall mandate to maintain international peace and security. UNDOF's specific objective is to maintain the cease-fire between Israel and Syria, supervise the disengagement of Israeli and Syrian forces, and supervise the areas of separation and limitation.

3. UNDOF is deployed within and close to the area of separation, with two base camps, 21 permanently staffed positions and 8 outposts. UNDOF is assisted by the Observer Group Golan (OGG), part of United Nations Truce Supervision Organization (UNTSO), which staffs 11 observation posts along the area of separation. The Force headquarters is located at Camp Faouar, with the logistics base in Camp Ziouani and a representational office in Damascus.

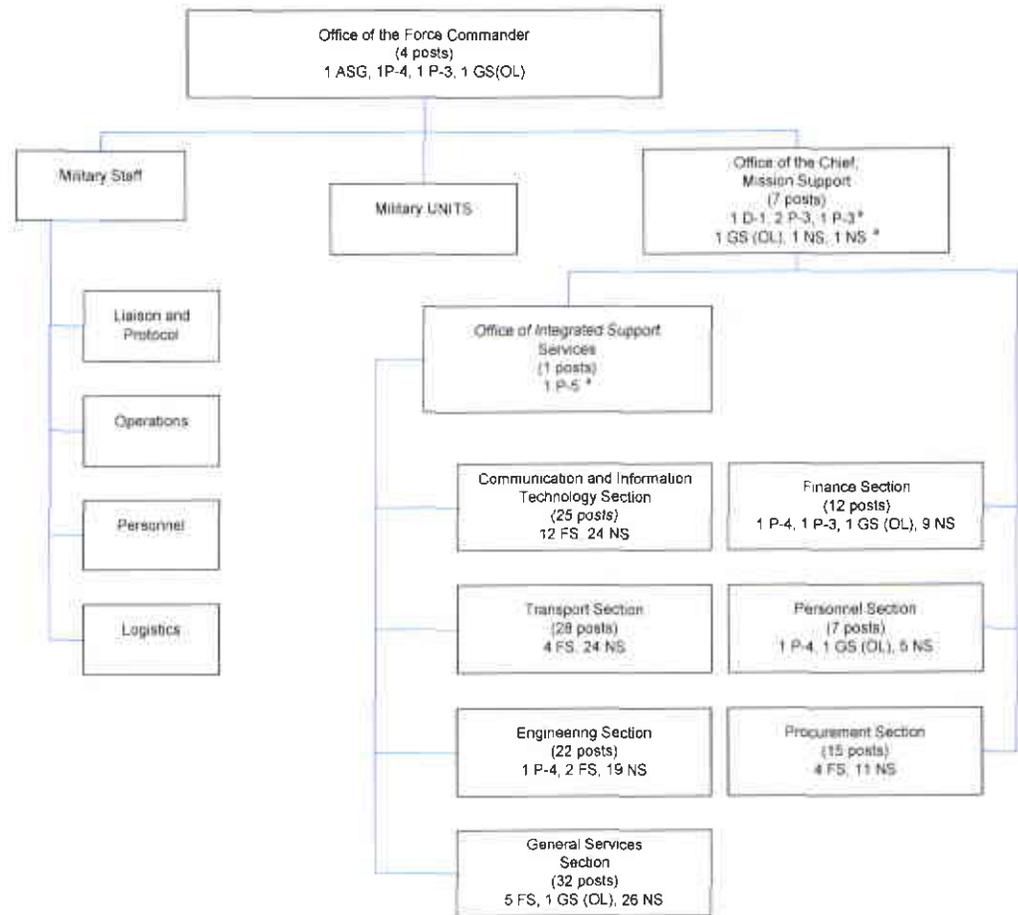
4. The 2006-2007 expenditure, 2007-2008 apportionments, and 2008-2009 estimates relating to operations are summarized in Table 1.

Table 1 – UNDOF's Operational costs as per A/62/719

Budget lines	2006-2007 Expenditures (\$000)	2007-2008 Apportionments (\$000)	2008-2009 Cost estimates (\$000)
Consultants	0.3	14	14
Official travel	244	339	368
Facilities and infrastructure	4,171	4,165	6,962
Ground transportation	3,413	3,236	4,361
Communications	1,370	1,397	1,452
Information technology	659	795	762
Medical	392	412	403
Special equipment	140	166	280
Other supplies	961	713	511
Total	11,350	11,237	15,113

5. UNDOF's Office of Mission Support is responsible for providing support services to the Mission. The Chief of Mission Support, at the D-1 level, heads the Office of Mission Support with 149 international and national staff and reports to the Force Commander. The 2008-2009 approved organizational structure of the Mission as per document A/62/719 is provided in Figure 1.

Figure 1 - UNDOF organization structure



6. Comments made by UNDOF are shown in *italics*.

II. AUDIT OBJECTIVES

7. The overall objective of the audit was to assess the adequacy and effectiveness of internal controls over its support services.

III. AUDIT SCOPE AND METHODOLOGY

8. The audit included the period from 1 July 2007 to 30 June 2008 covering the following support functions: communication and information technology; engineering services; general services; transport; financial management; and travel and shipment. The Force Medical Service was also reviewed.

9. The audit methodology comprised: (a) reviews of relevant records and contracts; (b) analysis of data; (c) interviews with responsible personnel; (d) visits to positions 60 and 80 and UNDOF Headquarters at Camp Faouar; and (e) an evaluation of internal controls.

10. Due to security restrictions, auditors could not travel to the logistics base in Camp Ziouani located in Israel.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Governance and accountability

Deficient organizational structures

11. The effective and efficient delivery of support services requires appropriate organizational arrangements. In OIOS' assessment, UNDOF needs to improve its organizational structure in engineering, communications, and general services.

12. The Engineering Section's current organizational structure shows separate reporting lines for civilian and military staff. The civilian staff reports to the Chief Civilian Engineering Officer and the military staff reports to the Chief of Staff through the Deputy Chief of Integrated Support Services. There were duplication of resources such as staff, warehouses and workshops between the Austrian Battalion and the Engineering Section in carrying out maintenance responsibilities.

13. In its April 2008 review, the Communication and Information Technology Section (CITS) also recommended that the military and civilian staff in CITS and in radio workshops should be organized in an integrated structure. In addition, in their 28 April 2008 meeting, UNDOF and UNTSO decided to merge the voice and data network at OGG with UNDOF CITS. However, as at the date of the audit, the recommended integration had not been implemented, and CITS had not updated its organization structure to include the OGG CITS staff, in order to establish clear responsibilities and reporting lines for the OGG staff.

14. The General Services Section comprised supply, property management and receiving and inspection functions. In OIOS' opinion, combining these functions exposes the Mission to risks associated with the lack of segregation of duties leading to potential conflict of interest. The Mission informed OIOS that segregation of the functions was pending as the recruitment of the Chief of Supply was not completed until June 2009.

15. The Mission acknowledges the benefits of integrating civilian and military support services into a single organizational structure. However, the Mission still needs to review its support services in order to integrate organizational structures and to clearly define their roles and responsibilities.

Recommendation 1

(1) The UNDOF Office of Mission Support should integrate the military and civilian functions in the Engineering and Communications Sections into a unified structure, and segregate functions in the General Services Section to ensure proper checks and balances.

16. *The UNDOF Office of Mission Support accepted recommendation 1 and stated that the Advisory Committee on Administrative Budgetary Questions and the Fifth Committee approved the restructuring of Integrated Support Services to include a newly created Supply Section and the restructuring of the General Services Section. Further, UNDOF provided documentation for the manpower organizational review undertaken in 2009 to align engineering and communication services. Recommendation 1 remains open pending receipt of evidence on: (a) the integration of the military and civilian functions in the Engineering and CITS into a unified structure; (b) the segregation of functions in the General Services Section to ensure proper checks and balances.*

Inadequate supporting documentation for the Portfolio of Evidence

17. The Mission prepares its Results Based Budgeting (RBB) performance report based on the Portfolio of Evidence compiled by its Budget Unit. OIOS' review of the supporting documentation for the Portfolio of Evidence of the CITS, Transport Section and Force Medical Services found inconsistencies between the supporting documents and the actual achievements reported in the 2007-2008 performance report. For example, only Multi Router Traffic Grapher (MRTG) and other network services monitoring systems were shown as Portfolio of Evidence to support that network services were operational and available 98.5 per cent of the time. However, records for network availability were not maintained, and the MRTG system was implemented only in November 2008.

18. The Budget Unit used the submissions of the self-accounting units (SAUs) in compiling the Portfolio of Evidence. UNDOF has not provided a Mission-wide training on the RBB process, and the guidelines on the collection and maintenance of the Portfolio of Evidence were not provided. As a result, some focal points were not fully aware of the RBB process.

Recommendation 2

(2) The UNDOF Office of Mission Support should Organize and provide a Mission-wide training on the Results Based Budgeting process.

19. *The UNDOF Office of Mission Support accepted recommendation 2 and provided the agenda and list of participants for the workshop conducted by the Budget Unit in July 2009 on "Overview of RBB in Peacekeeping". Based on the action taken, recommendation 2 has been closed.*

B. General services

Lack of periodic inspections and physical verification of property

20. Logistics Directive 104 requires the Inspection Team and Integrated Support Services staff to undertake annual inspection and follow up visits to UNDOF facilities. Furthermore, chapters 5.30, 5.31 and 5.35 of DPKO Property Management Manual require SAUs to conduct physical verification at regular intervals, and to reconcile any discrepancies for further investigation. However, these were not done during 2008 as the last inspection was undertaken in September 2007 and no physical inventory had been conducted of generator spare parts, rations and medical supplies. OIOS also observed that the Force Medical Services did not have a system in place to record and monitor its stock levels, consumption and expiry dates of medical supplies.

21. Physical verification of sample items revealed discrepancies between the physical count and the Galileo records. For example, IT Unit had 47 servers, but the Galileo System records showed 50 servers including 4 in stock. Two servers (i.e. DOF 15675 and DOF 15676) in the CITS server room could not be found in the Galileo system.

22. Lack of periodic inspections, physical verification, and reporting, impeded the safeguarding of assets and limited the ability of the Mission to rely on the accuracy of its inventory records.

Recommendation 3

(3) The UNDOF Office of Mission Support should conduct annual physical verification and inspection of its assets and facilities in order to ensure their proper accounting and operational condition.

23. *The UNDOF Office of Mission Support accepted recommendation 3 and provided reports on physical verification carried out by the Property Control and Inventory Unit (PCIU) and stated that the PCIU now tracks and follows-up on SAUs corrective actions against these discrepancy reports. Recommendation 3 remains open pending receipt of 2009 annual inspection reports as required by the Logistics Directive 104.*

Inadequate food, water stocks and fire safety in shelters

24. According to UNDOF's policy on strategic stock holdings, shelters should be stocked with ten days supply of composite ration packs and water as a contingency measure against any interruption in supply. The Logistics supervisor must also monitor stock levels and report any declines in stock levels to the Staff Officer (SO) Food. The SO Food is responsible for undertaking regular inspection of shelters but has not been doing so.

25. OIOS inspected four shelters at Camp Faouar and in Positions 60 and 80A to verify whether the shelters had adequate food and water to cater for the

number of people to be housed in the shelters. Two shelters in Camp Faouar had the capacity to accommodate between 24 and 53 staff whereas Position 60 could accommodate ten staff. These shelters did not have the required stocks of composite ration packs for ten days. The shortfall of composite rations stock holdings ranged between 16 and 36 packs taking into account the number of staff each shelter accommodated. Position 60 had a shortfall of 105 bottles of water in stock.

26. OIOS also observed that 90 per cent of fire extinguishers installed in the kitchens, bunkers and food storage facilities at Camp Faouar and in Positions 60 and 80A had either expired or were empty. Lack of properly functioning fire safety equipment and inadequate strategic stock holdings in shelters affects the ability of the Mission to support staff during security emergencies.

Recommendation 4

(4) The UNDOF Office of Mission Support should ensure that the shelters are adequately stocked with composite ration packs and water, and are equipped with functional fire safety equipment.

27. *The UNDOF Office of Mission Support accepted recommendation 4 and stated that all shelters are now adequately stocked with water and composite ration packs and provided a copy of the Mission's 2009 fire safety inspection.* Based on the assurances provided by the Management, recommendation 4 has been closed.

Lack of fuel quality check

28. DFS Fuel Operations Manual prohibits the use of contaminated fuel as this can damage engines. However, in order to ensure this, the Receiving and Inspection (R&I) Unit did not check the quality when the supplier delivered fuel due to lack of fuel testing kits and trained personnel to use the kits. Considering that UNDOF spent \$2.77 million on petrol, oil and lubricants (POL) during the financial year 2007-08, it is important that the R&I Unit has the ability to conduct the required fuel tests to ensure quality.

Recommendation 5

(5) The UNDOF Office of Mission Support should ensure availability of fuel testing kits and provide training to receiving and inspection staff on the use of fuel testing kits so that the quality of fuel is checked at the time of delivery.

29. *The UNDOF Office of Mission Support accepted recommendation 5 and stated that a POL Assistant trained in testing and recording the quality of fuel is on board and testing kits have been ordered.* Recommendation 5 remains open pending delivery of the fuel testing kits and confirmation of its use to check quality of fuel.

Inadequate fuel consumption monitoring

30. The Fuel Log System, which the Mission is currently using to monitor fuel consumption, is not effective. For the System to function effectively, each fuel consuming asset must be equipped with a fuel ring. The ring identifies the asset and the System records the amount of fuel dispensed into the concerned equipment. OIOS review of three-month fuel consumption reports generated by the Fuel Log System observed the following internal control weaknesses:

- The fuel log bypass key was used to allow vehicles with non-functional rings to draw fuel. No records were maintained for fuel drawn by using bypass keys;
- The Mission did not have records of the number of bypass keys in use and who held them;
- Fuel rings were removed from vehicles by other vehicle operators and drew fuel, resulting in consuming fuel in excess of tank capacity; and
- Fuel storage tanks were not fenced and locked, and were easily accessible.

31. In the absence of adequate controls over fuel log bypass keys, fuel rings and access to storage tanks, there is an increased risk of misappropriation of fuel.

Recommendation 6

(6) The UNDOF Office of Mission Support should equip all its fuel consuming assets with fuel rings, and allow fuel log bypass keys only in exceptional cases with proper compensating controls in order to improve the Fuel Log System and effectively monitor consumption.

32. *The UNDOF Office of Mission Support accepted recommendation 6 and stated that UNDOF has procured new generation of fuel rings and its installation is in progress. Fuel log bypass keys are now being kept in the Fuel Unit. Recommendation 6 remains open pending completion of the installation of new fuel rings on all fuel consuming assets.*

C. Communication and information technology services

Disaster Recovery and Business Continuity (DRBC) infrastructure is not fully operational

33. The Mission is working to complete its DRBC readiness for Tier 1: in-theatre, on-site facilities by setting up a second data centre in the Pentagon Building away from the primary data centre in CITS building. The Mission issued its DRBC policy in August 2007 which stated that the second data centre is operational. However, OIOS observed that the second data centre was not fully operational to mirror the capability, applications and data of the primary centre.

The mission had not moved all standby servers from the primary data centre to the second data centre and the tape backups were not stored at an off-site location. Further the DRBC policy does not include the requirement for testing of the DRBC plan to assure that the plan will operate smoothly in the event of a disaster.

Recommendation 7

(7) The UNDOF Office of Mission Support should complete its information and communication technology disaster recovery and business continuity setup and ensure its readiness in the event of a disaster by testing the plan after completion.

34. *The UNDOF Office of Mission Support accepted recommendation 7 and stated that CITS has successfully implemented Lotus Notes and Internet back-up services and plans to complete mission DRBC readiness by implementing file and print services in the second data center. It also conducted DRBC readiness testing of Internet services and Lotus Notes. Recommendation 7 remains open pending completion of Mission DRBC readiness and receipt of the test results.*

CITS assets have not been reviewed to increase economy and efficiency

35. Field missions are expected to ensure maximum utilization of assets to increase economy and efficiency. However, as summarized below, OIOS' review of CITS operations showed underutilized facilities:

(a) UNDOF has established a dedicated 10 mega-bite per second (mbps) leased line from Camp Ziouani to Brindisi for only \$16,800 whereas the cost of satellite links was budgeted at \$164,040. The Mission had not undertaken a review of its two standby satellite earth stations with the view to reducing the number of satellite earth stations and standby bandwidth capacity and in order to reduce costs.

(b) The Information Technology Unit operated 47 servers to manage UNDOF's network and applications at Camp Ziouani, Representative Office in Damascus and at Camp Faouar. Ten servers were employed to run Lotus Notes application. However, the Mission had not implemented server virtualization, which would help the Mission make better use of its servers, reduce server replacement and maintenance costs, and improve data replication.

Recommendation 8

(8) The UNDOF Office of Mission Support should review the use of communications and information technology assets for possible cost savings and reduction in replacement and maintenance costs.

36. *The UNDOF Office of Mission Support accepted recommendation 8 and stated that CITS has initiated the server virtualization project which is scheduled to be implemented during 2009-2010. However, it was able to reach targeted server hardware reduction by review and consolidation of applications.* OIOS notes the action taken by the Mission to reduce servers; however, the response does not address the reduction of standby bandwidth capacity. Recommendation 8 remains open pending completion of the server virtualization project and action taken to reduce the standby bandwidth capacity.

D. Transport services

Questionable adjustments to spare parts inventory

37. In April 2007, UNDOF initiated a review of its vehicle spare parts inventory, which at that time was valued at \$3.4 million in the Galileo System. By November 2007, the value of the inventory was reduced to \$0.89 million as a result of adjustments made in Galileo. OIOS was informed that the discrepancy of \$2.51 million was identified during the physical count and was caused by errors in the migration of inventory from the Field Asset Control System to Galileo. However, the Transport Section did not provide OIOS with the relevant supporting documents for the reduction of the spare parts inventory in Galileo. Therefore, the status of spare parts inventory valued at \$2.51 million could not be established.

38. Financial Rule 105.21 requires that discrepancies identified during physical count should be referred to the Local Property Survey Board. Additionally, the Mission should have convened the Board of Inquiry (BOI) to review the discrepancies. However, these were not done. As a result, the adjustment of spare parts inventory by \$2.51 million in Galileo is questionable.

Recommendation 9

(9) The UNDOF Office of Mission Support should convene the Board of Inquiry and Local Property Survey Board to review the adjustments and recommend appropriate actions.

39. *The UNDOF Office of Mission Support accepted recommendation 9 and stated that the BOI is being convened to identify procedural shortcomings and make recommendations concerning reconciliation of transport spare parts.* Recommendation 9 remains open pending receipt of the BOI and Local Property Survey Board reports.

Establishment of light passenger vehicle needs review

40. The September 2007 Surface Transport Manual (STM), states that the Mission's vehicle requirement should be adjusted to take into account the Mission's vacancy factor. However, the Vehicle Establishment Committee (VEC) did not consider UNDOF's 23 per cent vacancy rate in 2008 for international staff when establishing its vehicle fleet. The VEC instead

established the Mission's vehicle requirement based on 100 per cent incumbency of approved posts as per the 2007-2008 budget. As a result, the Mission established seven vehicles more valued at approximately \$122,500.

41. Furthermore, according to the Standard Cost and Ratio Manual, 2.5/4.5 international staff per vehicle is the standard vehicle allocation ratio. However, UNDOF allocated 27 light passenger vehicles for 35 international staff. This is equivalent to approximately 1.3 international staff per vehicle which is much above the standard ratio of 2.5/4.5. Moreover, the full justification required by the STM was not provided for the excessive vehicle allocation. Consequently, the excess allocation resulted in lower utilization of vehicle fleet.

Recommendation 10

(10) The UNDOF Office of Mission Support should review and revise the established vehicle requirement taking into account the vacancy factor and provide full justification for allocating vehicles in excess of the ratios defined in the Standard Cost and Ratio Manual.

42. *The UNDOF Office of Mission Support did not accept recommendation 10 and stated that UNDOF has integrated operations with both civilian and military colleagues working together and the vehicles issued to civilians are also utilized by military colleagues.* OIOS verified that UNDOF had established 40 light passenger vehicles separately for Military HQ staff. Therefore, OIOS reiterates recommendation 10 and requests UNDOF to reconsider its initial response to this recommendation and provide proper justification for allocating vehicles in excess of the defined ratios.

E. Force medical services

Deficiencies in the payment verification process for medical services

43. At UNDOF's request, OIOS reviewed the payment process for medical services and observed deficiencies in the payment verification process. Contrary to Section 3.6.1 of Field Finance Procedures Guidelines, the Force Medical Officer (FMO) did not review and sign the individual medical service invoices. Instead, the FMO continued with the old practice of signing the covering memo requesting for disbursement to be made based on the relevant patient case referral sheets and invoices. However, as of December 2008, the FMO discontinued providing even the referral sheets to the Finance Section. This impeded the ability of the Finance Section to review the admissibility of the claims.

Recommendation 11

(11) The Office of UNDOF Mission Support should ensure that the verification of medical services comply with section 3.6.1 of Field Finance Procedures Guidelines.

44. *The UNDOF Office of Mission Support accepted recommendation 11 and implemented procedures to comply with section 3.6.1 of Field Finance Procedures Guidelines.* Based on the action taken, recommendation 11 has been closed.

HIV sensitization programme needs improvement

45. The role of HIV/AIDS Unit in field missions is to provide HIV/AIDS awareness and prevention programmes to Mission personnel. The policy requires the Mission to provide induction, refresher, and peer education trainings to staff in order to increase HIV/AIDS awareness. UNDOF's FMO is responsible for implementing this activity.

46. OIOS noted a general lack of focus on HIV/AIDS activities in the Mission. Although UNDOF's induction training presentation for new staff included HIV/AIDS issues, the Unit did not provide refresher and peer education training on HIV/AIDS. Furthermore, the Unit did not organize the 2008 HIV/AIDS awareness campaign on the World Aids Day.

Recommendation 12

(12) The UNDOF Force Medical Service should conduct refresher and peer education trainings as part of the Mission's HIV sensitization programme.

47. *The UNDOF Office of Mission Support accepted recommendation 12 and stated that a civilian focal point for HIV/AIDS has been appointed and will be trained to undertake activities to improve the Mission's HIV/AIDS sensitization program.* Recommendation 12 remains open pending OIOS' review of the activities undertaken to improve the Mission's HIV/AIDS sensitization program.

F. Travel services

Air ticketing arrangements without a written contract

48. As per Financial Rule 105.18 written procurement contracts shall be used to formalize every procurement action with a monetary value exceeding \$2,500. The Mission spends more than \$35,000 for the rotation of the Japanese contingent alone and also administers other official travel operations. UNDOF previously used the contract entered into by UNDP, but discontinued using it since December 2007. Subsequently, the Mission's General Services Section decided instead to obtain quotations from three specific travel agencies for each purchase. Although UNDOF asserts that this approach resulted in cost savings, there was no cost-benefit analysis undertaken to justify it.

49. Without the Procurement Section's involvement in soliciting quotations and comparing ticket prices, UNDOF's current air ticketing arrangements lacked transparency. Moreover, the lack of formal contractual arrangements for air ticketing exposes the Mission to risks of vendor non-performance since there are

no contractual obligations binding the travel agency. Even after establishing a written contract, the Mission may, from time to time, solicit price quotations from other travel agencies to verify the competitiveness of prices in the contract. The contract should have a provision that if the contract prices are determined to be costlier than the going market rate, UNDOF preserves the right to invite the contractor to match the rate prevalent in the open market or buy tickets from the open market.

Recommendation 13

(13) The UNDOF Office of Mission Support should establish a travel contract in order to ensure compliance with Financial Rule 105.18 and use the contract as a baseline to compare prices with quotations solicited from other travel agencies to ensure that the cost of tickets obtained by quotations is more competitive than the contract rates.

50. *The UNDOF Office of Mission Support accepted recommendation 13 and stated that UNDOF plans to utilize the contract between other UN agencies and a local travel agency. Recommendation 13 remains open pending confirmation of establishing the travel contract and receipt of documentation comparing travel prices obtained through solicitation and travel contract.*

V. ACKNOWLEDGEMENT

51. We wish to express our appreciation to the Management and staff of UNDOF for the assistance and cooperation extended to the auditors during this assignment.

STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
1.	The UNDOF Office of Mission Support should integrate the military and civilian functions in the engineering and communications sections into a unified structure, and segregate functions in the general services section to ensure proper checks and balances.	Strategy and Governance	High	O	Evidence on: (a) the integration of the military and civilian functions in the engineering and communication and information technology sections into a unified structure; (b) the segregation of functions in the general services section to ensure proper checks and balances.	July 2009
2.	The UNDOF Office of Mission Support should organize and provide a Mission-wide training on the Results Based Budgeting process.	Governance	Medium	C	Action taken.	Implemented
3.	The UNDOF Office of Mission Support should conduct annual physical verification and inspection of its assets and facilities in order to ensure their proper accounting and operational condition.	Compliance	Medium	O	Receipt of 2009 annual inspection report as required by Logistics Directive 104.	Not provided
4.	The UNDOF Office of Mission Support should ensure that the shelters are adequately stocked with ration packs and water, and are equipped with functional fire safety equipment.	Operational	Medium	O	that the shelters have been adequately stocked with ration packs and water, and are equipped with functional fire safety equipment.	Not provided
5.	The UNDOF Office of Mission Support should ensure availability of fuel testing kits and provide training to receiving and inspection staff on the use of fuel testing kits so that the quality of fuel is checked at the time of delivery.	Operational	Medium	O	Delivery of the fuel testing kits and confirmation of its use to check quality of fuel.	July 2009
6.	The UNDOF Office of Mission Support should equip all its fuel consuming assets with fuel rings, and allow fuel log bypass keys only in exceptional cases with proper compensating controls in order to improve fuel log system and effectively monitor	Operational	High	O	Completion of the installation of new fuel rings on all fuel consuming assets.	October 2009

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
7.	consumption. The UNDOF Office of Mission Support should complete its information and communication technology disaster recovery and business continuity setup and ensure its readiness in the event of a disaster by testing the plan after completion.	Information Resources	Medium	O	Completion of Mission DRBC readiness and receipt of the test results.	December 2009
8.	The UNDOF Office of Mission Support should review the use of communications and information technology assets for possible cost savings and reduction in replacement and maintenance costs.	Information Resources	Medium	O	Completion of the server virtualization project and action taken to reduce the standby bandwidth capacity.	2009-2010
9.	The UNDOF Office of Mission Support should convene the Board of Inquiry and Local Property Survey Board to review the adjustments and recommend appropriate actions.	Compliance	High	O	Receipt of the BOI and Local Property Survey Board reports.	August 2009
10.	The UNDOF Office of Mission Support should review and revise the established vehicle requirement taking into account the vacancy factor and provide full justification for allocating vehicles in excess of the ratios defined in the Standard Cost and Ratio Manual.	Operational	Medium	O	Provide proper justification for allocating vehicles in excess of the defined ratios	Not provided
11.	The Office of UNDOF Mission Support should ensure that the procedures for verification of medical services comply with section 3.6.1 of Field Finance Procedures Guidelines.	Compliance	Medium	C	Action taken.	Implemented
12.	The UNDOF Force Medical Service should conduct refresher and peer education trainings as part of the Mission's HIV sensitization programme.	Operational	Medium	O	OIOS' review of the activities undertaken to improve the Mission's HIV/AIDS sensitization program.	December 2009
13.	The UNDOF Office of Mission Support should establish a travel contract in order to ensure compliance with the Financial	Operational	Medium	O	Confirmation of establishing the travel contract and receipt of documentation comparing travel prices obtained through	September 2009

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
	Rule 105.18 and use the contract as a baseline to compare prices with quotations solicited from other travel agencies in order to ensure that the cost of tickets obtained by quotations do not exceed the contract rates.				solicitation and travel contract.	

1. C = closed, O = open
2. Date provided by UNDOF in response to recommendations.