



Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

**Administration of staff entitlements to meet
Minimum Operating Residential Security
Standards (MORSS) in UNMIL**

**Internal controls over the staff MORSS
entitlements were inadequate and ineffective**

13 November 2009

Assignment No. AP2008/626/02

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: Ms. Ellen Margrethe Løj
A: Special Representative of the Secretary-General
United Nations Mission in Liberia

DATE: 13 November 2009

REFERENCE: IAD: 09- **03112**

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

Fatou

SUBJECT: **Assignment No. AP2008/626/02 - Audit of the administration of staff entitlements to meet**
OBJET: **Minimum Operating Residential Security Standards (MORSS) in UNMIL**

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 1 and 2 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. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendations 1 to 5) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Stephen Lieberman, Director of Mission Support, UNMIL
Ms. Stephani Scheer, Chief Administrative Services, UNMIL
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit Secretariat
Mr. Moses Bamuwanye, Chief, Oversight Support Unit, Department of Management
Mr. Seth Adza, Chief, Audit Response Team, Department of Field Support
Mr. Byung-Kun Min, Programme Officer, OIOS
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).

CONTACT INFORMATION

ACTING DIRECTOR:

Fatoumata Ndiaye: Tel: +1.212.963.5648, Fax: +1.212.963.3388,
e-mail: ndiaye@un.org

CHIEF, PEACEKEEPING AUDIT SERVICE:

Eleanor T. Burns: Tel: +1.917.367.2792, Fax: +1.212.963.3388
e-mail: burnse@un.org

EXECUTIVE SUMMARY

Audit of administration of staff entitlements to meet MORSS in UNMIL

OIOS conducted an audit of the administration of staff entitlements to meet Minimum Operating Residential Security Standards (MORSS) in the United Nations Mission in Liberia (UNMIL). The overall objective of the audit was to assess the adequacy and effectiveness of internal controls over the administration of staff entitlements to meet MORSS. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

OIOS identified the following deficiencies relating to the administration of MORSS staff entitlements:

- The basis of the financial cap for reimbursing staff for the cost of fuel/electricity under MORSS is not clear. The major elements of the formula for establishing the cap (e.g. the daily fuel consumption rate and number of hours per day for which emergency lighting is required) are questionable;
- The entitlement established in June 2008 of up to \$700 per month for the monthly reimbursement of fuel was too high considering the fall in fuel prices from about \$140 to \$50 per barrel. Based on OIOS' recommendation, the financial cap was reduced to \$430 resulting in estimated annual savings of about \$1.1 million;
- The Department of Safety and Security did not consult the Department of Management and Department of Field Support when establishing staff entitlements under MORSS;
- Guidance and existing controls for claiming reimbursements for fuel purchased from the open market and electricity obtained from landlords are inadequate, inconsistently applied, and susceptible to fraud. There was no procedure in place for monitoring and recovering the cost of electricity provided to 227 staff members by the Mission;
- The Mission reimbursed staff for the cost of electricity, but the procedure for determining the amounts of reimbursement was complex and thus subject to errors and other irregularities; and
- At the Andalucia apartment complex, the duty-free fuel was not safeguarded by the UNMIL tenants' association and thus exposed to diversion and pilferage.

OIOS has made six recommendations to address the issues identified during the audit to further improve the administration of staff entitlements.

TABLE OF CONTENTS

Chapter	Paragraphs
I. INTRODUCTION	1 - 4
II. AUDIT OBJECTIVES	5
III. AUDIT SCOPE AND METHODOLOGY	6
IV. AUDIT FINDINGS AND RECOMMENDATIONS	
A. Review of the formula for establishing MORSS staff benefits and entitlements	7-13
B. Application of the policy on security lighting	14-19
C. Non-involvement of OHRM in establishing entitlements for field staff	20-23
D. Controls over duty-free fuel issued to the UNMIL Andalusia tenants association	24-28
E. Non-recovery of the cost of electricity	29-31
F. Maintenance cost	32-33
V. ACKNOWLEDGEMENT	34
ANNEX 1 – Status of Audit Recommendations	
ANNEX 2 - Inconsistencies in applying Information Circular 2008/107 to reimbursements for landlord-provided electricity in January 2009	

I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the administration of staff entitlements to meet Minimum Operating Residential Security Standards (MORSS) in the United Nations Mission in Liberia (UNMIL). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. MORSS for Liberia was approved on 27 September 2004 by the UN Security Coordinator (UNSECOORD), now the Department of Safety and Security (DSS). The MORSS provide security measures such as security guards, alarm systems, door and window bars, locks, safe havens, reimbursing staff for the costs of emergency lighting, and other protective devices. Table 1 below summarizes approved residential security measures in Liberia with financial limits from their original approval:

Table 1: Approved security measures in Liberia with financial limits

Measure	As of			
	7 Aug 2008	1 Oct 2007	1 Nov 2005	1 Oct 2004
Monthly fuel reimbursement for security lighting per residence	\$700	\$400	\$298	\$205
Monthly reimbursement for security guards*	\$650	\$650	\$575	\$575
One-time reimbursement for residential security improvements **				
Monrovia	\$1,500	\$1,000	\$1,000	\$1,000
Other parts of Liberia	\$2,500	\$1,000	\$1,000	\$1,000
* An individual residence is entitled to a maximum of five security guards at the rate of \$130 per guard per month. Monthly reimbursement for security guards for a large residential compound with several apartments depends on the number of security guards authorized by the Security Section.				
** As of 8 August 2008, staff members reassigned for operational reasons are entitled to another reimbursement.				

3. The Mission's budget for staff residential security measures for the financial year 2007-2008 was \$5,814,000 and the expenditure was \$3,249,000.

4. Comments made by UNMIL are shown in *italics*.

II. AUDIT OBJECTIVES

5. The main objective of the audit was to assess the adequacy and effectiveness of internal controls over the administration of staff entitlements to meet MORSS.

III. AUDIT SCOPE AND METHODOLOGY

6. The audit covered the period from October 2007 to April 2009. The auditors reviewed transactions such as the issuance of duty-free fuel and reimbursements for security lighting for the period from October 2007 to September 2008. OIOS visited two sector locations (i.e. Tubmanburg and Buchanan) in February 2009 and one residential apartment compound with UNMIL generators in April 2009 to assess compliance with relevant policies and approved residential security measures required to meet MORSS.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Review of the formula establishing MORSS staff benefits and entitlements

MORSS - security lighting

7. According to Section 5.57 (b) of the Field Security Handbook, the Designated Official (DO) and the Security Management Team (SMT) should determine the country-specific financial cap for review and approval of DSS. The financial cap should be based on the results of a comprehensive market research, at the duty station, to determine the best prices available for purposes of the MORSS. Consequently, in OIOS opinion, changes to the security environment and cost of the goods and services in determining the financial cap are sufficient reasons for the Mission to initiate the revision of the financial cap. However, the financial cap for the Mission has not been adjusted in line with the changes in the price of fuel.

8. In June 2008, the DO requested DSS to approve a revised amount of \$700 per residence to cover the cost of security lighting determined using the following formula: $[A \times B \times C \times D]$; where A equals \$1.37 representing the average retail price per liter of fuel, B equals 3.8 liters per hour, C equals 4.5 hours per day for security lighting, and D equals 30 days per month]. OIOS questions the average retail price of \$1.37, hourly fuel consumption of 3.8 liters, and the total number of hours per day for which security lightings are required as follows.

9. The average retail price of fuel of \$1.37 per liter was established in June 2008 when global oil prices averaged about \$140 per barrel. As of April 2009, the average retail price of fuel in Liberia fell to \$0.66 per liter reflecting the decline in average global prices from \$140 per barrel in June 2008 to \$50 per barrel. If the cap had been reviewed and adjusted in April 2009, the Mission would have reduced the monthly reimbursement rate by more than \$360, from \$700 to \$340.

10. According to the Chief Security Advisor (CSA) of the Mission, the 3.8 liters per hour used in the formula represents the average fuel consumption per

residential compound with UNMIL generators during a 10-month period and another residential compound with landlord-provided electricity. OIOS reviewed the data relating to the residential compound with UNMIL generators; however, the CSA was unable to provide OIOS with data on the residential compound with landlord-provided electricity. The CSA was also unable to show how the average of 3.8 liters per hour was determined.

11. According to the CSA, DSS does not have a policy or a definition on the number of hours to be covered by security lighting. As a result, the determination of the number of hours to be covered by security lighting has been left to the discretion of each Mission. She informed OIOS that the 4.5 hours daily usage rate was not based on any scientific calculation but on roughly three hours usage during nighttime and one hour usage during daytime. OIOS questions why the Mission reimburses staff for security lighting during daytime.

12. The CSA informed OIOS that landlords are not willing to reduce their prices for the provision of electricity to UN staff despite the decrease in retail fuel prices. The CSA believes that UN staff will not be able to find accommodations that are MORSS-compliant if the financial cap is reduced. OIOS does not agree that the Mission should be concerned about the expectations of landlords when establishing a financial cap as this indicates the Mission's involvement in the negotiation of the living conditions of staff. Rather, the Mission should develop policies based on a thorough assessment of the cost of living in Liberia. Failure to adjust the financial cap to reflect changes in fuel cost may result in overpayments and financial losses to the Organization.

Recommendation 1

(1) The Designated Official for Liberia should commission a review of the financial cap for security lighting and appropriately adjust the reimbursement rate in line with changes in fuel prices. A reduction in the financial cap could result in savings of about \$1.1 million per year.

13. *The UNMIL Administration accepted recommendation 1 and on 5 October 2009 issued Information Circular (IC) 2009/69 decreasing the financial cap for security lighting reimbursements to \$430 effective 1 November 2009. A further review of the financial cap for security lighting will be conducted in 31 December 2009. On follow-up, UNMIL confirmed that savings of about \$1.1 million per year for residential security entitlement will be made due to the reduction in the financial cap from \$700 to \$430. Based on the action taken, recommendation 1 has been closed.*

B. Application of the policy on security lighting

14. As indicated in paragraph 9 above, effective June 2008, the Mission established \$700 as the financial cap on reimbursement per residence for security lighting. Since the formula used in deriving the \$700 financial cap assumes 4.5 hours of security lighting per day, in OIOS' opinion a staff member should be required to demonstrate that he/she maintained security lights for 4.5 hours a day

to qualify for full reimbursement. However, on 20 November 2008 the Mission issued IC 2008/107, which contradicts the premise of the formula by requiring that a fraction of a staff member's rent attributed to electricity by a landlord should be considered as the reimbursable cost of security lighting.

15. Notwithstanding the fact that the IC contradicts the premise of the formula, OIOS sought to ascertain if reimbursements were determined according to the IC. However, the Mission was unable to provide OIOS with a detailed report of MORSS expenditures showing the particulars of all recipients of MORSS entitlements (e.g. security lighting, security guards, etc) during the period covered by the audit. Therefore, OIOS performed examinations of 283 deductions from staff's mission subsistence allowance (MSA) and 298 reimbursements made to them for security lighting during July 2008 and January 2009 as indicated in Table 2.

Table 2: Number of staff members covered by additional tests of deductions from MSA and reimbursements in July 2008 and January 2009

Details	July 2008	January 2009
Residents of apartments/ compounds with UNMIL-provided generators and using duty-free fuel (out of approximately 277 staff members)		
MSA deductions tested	99	146
Reimbursements tested	20	146
Residents of apartments/ compounds with tenant- or landlord-owned generators and using duty-free fuel (out of approximately 180 staff members)		
MSA deductions tested	1	37
Reimbursements tested	15	29
Reimbursements to residents of apartments/ compounds with landlord-provided electricity (total number of staff members in these accommodations is not known)	26 (10 principal recipients and 16 co-occupants)	62 (38 principal recipients and 24 co-occupants)

16. OIOS found in eight of the 38 deductions from MSA of residents of apartment compounds with landlord-provided electricity, that the Finance Section overpaid \$1,043 for claims for security lighting in January 2009 as indicated in Annex 2. This was primarily due to inconsistent application of the provisions of IC 2008/107. Also, according to the Officer-in-Charge of the Finance Section, IC 2008/107 is applied to reimbursements to duty-free fuel purchased from UNMIL, fuel purchased on the open market, and electricity purchased from the government and private suppliers. The IC does not explicitly state that it is applicable to these types of expenditures. The UNMIL Director of Mission Support (DMS) underscored the need for streamlined procedures governing electricity/fuel reimbursements.

17. In OIOS view, the above-mentioned \$1,043 overpayment resulted from difficulties in applying the policy on reimbursement for security lighting. As indicated in Annex 2, there were major variations in the amounts attributed to electricity by landlords and as a result, there were differences in the amounts

reimbursed to staff. Some landlords charged \$350 while others charged \$600 per month. There was also variation in the number of hours landlords provided electricity to tenants. Some landlords provided 12 hours of electricity while others provided up to 21 hours of electricity to their tenants.

18. OIOS notes that UNMIL is the only Mission where there is a policy on the reimbursement for security lighting. In other Missions, reimbursement for security lighting is a component of MSA. To mitigate the risks of errors and irregularities, it may be prudent for the Mission to adopt the policies in other Missions regarding security lighting.

Recommendation 2

(2) The Designated Official should request the Department of Safety and Security to implement a policy for reimbursing costs of security lighting that is consistent across all Missions.

19. *The UNMIL Administration accepted recommendation 2 and on 1 October 2009, the DO requested DSS to advise on the implementation of a policy for reimbursing costs of security lighting that is consistent across all Missions.* Based on the action taken by UNMIL, recommendation 2 has been closed. The issue however will be followed up with DSS. However, OIOS will continue to monitor the status of action taken by DSS.

C. Establishing field staff entitlements

Non-involvement of OHRM in establishing entitlements for field staff

20. Section 6.5 of ST/SGB 2004/8 outlines the core functions of the Office of Human Resources Management (OHRM), Department of Management (DM), which include contributing to the development of a common system human resources policy in the areas of compensation and conditions. The same policy describes the responsibilities of OHRM, which includes monitoring the implementation of HR policies related to salaries, allowances and other entitlements, conducting comprehensive salary surveys at non-Headquarters duty stations and reviewing, establishing and updating allowances and other entitlements related to special missions.

21. The revised MORSS for Liberia dated 24 June 2008 was duly approved by DSS in accordance with Section 5.57 (b) of the Field Security Handbook. The revised MORSS includes an increase in reimbursement rate for security lighting from \$400 to \$700. As well, the revised MORSS includes a provision that increases the one-time reimbursement to staff to cover costs of minor residential security improvements from \$1,000 to \$1,500 in Monrovia and to \$2,500 in other parts of Liberia. OHRM, which is responsible for reviewing and establishing allowances and entitlements for staff in the UN, was not involved in the above revisions and only became aware of these benefits upon inquiry by OIOS. According to DSS, OHRM was not directly involved in the establishment or

revision of MORSS. However, OHRM is represented in the Chief Executive Board, which deliberates on all policies including security policies.

22. Reimbursements for fuel are made using rates recommended by the SMT in Liberia and approved by DSS in August 2008. In OIOS' opinion, since the SMT members are also direct beneficiaries of these entitlements, there is a conflict of interest regarding its role in the establishment of the financial cap. OIOS is of the view that OHRM and the Department of Field Support (DFS) should be involved in the establishment of all staff benefits and entitlements to ensure consistency and objectivity.

Recommendation 3

(3) The Designated Official for Liberia should ensure that all entitlements and benefits for staff in the Mission are established and/or revised in coordination with the Department of Management and the Department of Field Support.

23. *The UNMIL Administration accepted recommendation 3 and stated that the entitlements and benefits for staff will be taken into consideration during the review of the financial cap for security lighting in 31 December 2009.* Recommendation 3 remains open pending OIOS verification that the Mission establishes/ revises the entitlements and benefits for its staff in coordination with the DM and the DFS.

D. Inadequate controls over duty-free fuel issued to the Andalucia Tenants Association

24. The Status of Forces Agreement between UNMIL and the Government of Liberia states that duty-free fuel should be used for the benefit of UNMIL only. Accordingly, UNMIL requires landlords of apartment compounds with UNMIL generators to sign undertakings that non-UN personnel residing in their compounds will not be provided with electricity from UNMIL generators.

25. Pursuant to IC 2005/176, UNMIL provided two generators to the 21 UNMIL staff in 12 apartments in Andalucia apartment compound. The lease agreement between the Andalucia Tenants Association and the landlord states that the UNMIL generators will power common services of security lighting and pumps for well-water for the compound. However, OIOS found that non-UN staff also reside in the compound and therefore benefit from these common services. OIOS notes that it is difficult to enforce the undertakings requiring landlords not to allow non-UN personnel residing in their compounds to benefit from electricity provided by UNMIL generators since UNMIL cannot guarantee the full occupancy of each compound by UN staff only.

26. A joint inspection of the Andalucia apartments' generators, fuel storage, and electrical wirings was conducted by OIOS, the Fuel Unit, the Power Supply Unit and the Security Section in April 2009. The inspection found the lack of adequate controls over duty-free fuel purchased by Andalucia Tenants

Association. The fuel was physically controlled by the management of the apartment complex and not the Tenants Association comprising UNMIL staff. There were no wiring diagrams or indications on the apartment circuit boards regarding the active connections to the UNMIL-provided generator. As a result, illegal connections to the UNMIL-provided generator could not be detected and prevented in a timely manner. The detailed observations and related recommendations were issued to UNMIL Management on 24 April 2009, but the Mission has not provided its feedback.

27. Further analyses by OIOS revealed the possible consequences of the above-mentioned lapses in the controls over duty-free fuel purchased by the Andalusia Tenants Association. There was excessive fuel use by the Andalusia Tenant Association compared to the tenant associations of five other apartment compounds as indicated in Table 3 below. An apartment unit at the Andalusia compound consumed approximately 6,300 liters more fuel than an apartment unit at the five other apartment compounds. This translates into approximately 3,500 more liters of fuel per tenant of the Andalusia compound compared to a tenant of the five other apartment compounds. This is particularly concerning since, unlike the five other apartments such as the Seaside Compound, the Andalusia tenants do not get 24 hours daily supply of electricity. Additionally, as indicated in Table 3, the two generators at Andalusia apartments were comparable to or smaller than the generators used by four of the five other apartment compounds.

Table 3: Fuel consumption at Andalusia apartments and five other apartments with UNMIL generators during the period October 2007 to September 2008

Details	Andalusia apartments	Five other apartments with UNMIL generators	Totals
A. Number of apartment units	12	149	161
B. Number of UN tenants	21	256	277
C. Number of generators	2	10	12
D. Capacity of generators	125 kVA & 150 kVA	75 kVA to 500 kVA	-
E. Fuel consumed during the period (in liters)	158,416	1,014,942	1,173,358
F. Average consumption per apartment unit (E÷A)	13,201	6,812	7,288
G. Average consumption per tenant (E÷B)	7,544	3,965	4,236

Recommendation 4

(4) The UNMIL Office of Mission Support should strengthen controls over the distribution, storage and use of duty-free fuel including the establishment of a stringent quota for apartment compounds, compliance with such quota during the issuance of fuel, and the establishment of accountability of tenant associations for the storage and use of fuel issued to them.

28. The UNMIL Administration accepted recommendation 4 and stated that the DMS will form a task force to look into the issues identified by the audit and ensure that appropriate control mechanisms are put in place by 31 December 2009. Recommendation 4 remains open pending receipt of standard operating procedures over the distribution, storage, and use of duty-free fuel.

E. Non-recovery of the cost of electricity provided to staff residences by UNMIL

29. Primarily due to the lack of adequate procedures, the Mission has not monitored and recovered the cost of electricity provided to staff residents. None of the 227 staff members living in residents that were allowed to connect to the Mission's power grids have been billed. Based on the range of billable charges specified by IC 2006/077, OIOS estimates that the Mission did not bill between \$1.9 million and \$4.5 million from 1 June 2006 when the IC took effect until 30 June 2009. Even after considering the maximum reimbursable amounts to staff during that period, the Mission may have lost between \$700,000 and \$3.3 million as indicated in Table 4 below.

Table 4: Calculation of amounts the Mission may have lost for not billing staff their use electricity provided by UNMIL installations - June 2006 to June 2009

Details	1 June 2006 to 30 Sept 2007 (\$)	1 Oct 2007 to 31 July 2008 (\$)	1 Aug 2008 to 30 June 2009 (\$)	TOTAL (\$)
1. Estimated amounts that should have been billed to staff				
a. Low estimate	809,900	506,200	556,800	1,872,900
b. Possible maximum	1,928,600	1,205,400	1,325,900	4,459,900
2. Estimated maximum amounts reimbursable to staff	337,700	283,600	543,600	1,164,900
3. Potential losses to UNMIL				
a. Minimum (1.a minus 2)	472,200	222,600	13,200	708,000
b. Maximum (1.b minus 2)	1,590,900	921,800	782,300	3,295,000

30. The UNMIL DMS informed OIOS that the Regional Administrative Officers in conjunction with the Fuel Unit are responsible for determining the amounts to be billed to staff.

Recommendation 5

(5) The UNMIL Office of Mission Support should establish and implement effective procedures for the recovery of the cost of electricity provided to staff residences, estimated at a minimum of \$700,000 per year to UNMIL.

31. *The UNMIL Administration accepted recommendation 5 and stated that effective procedures for the recovery of the cost of electricity provided to staff residences will be taken into consideration when reviewing the financial cap for security lighting. Recommendation 5 remains open pending receipt of standard operating procedures for monitoring and recovering the cost of electricity provided to staff residents, and an estimate of the potential savings to UNMIL for implementing procedures to bill staff for the cost of electricity received.*

F. Maintenance costs not recovered

32. According to IC 2006/078 dated 2 May 2006, staff residing in residential compounds which have been provided with generators by UNMIL will be periodically charged for maintenance including spare parts used on the generators. OIOS was informed that the UNMIL generators in residential compounds were being maintained by UNMIL Engineering Section, but the Mission was not recovering the cost of the maintenance and spare parts. The cost of maintenance of UNMIL generators was not determined as it was not monitored. The lack of monitoring and enforcement to recover the maintenance costs resulted in financial loss to the Mission.

Recommendation 6

(6) The UNMIL Office of Mission Support should establish procedures for the recovery of the cost of maintenance including spare parts for generators provided to staff residential compounds.

33. *The UNMIL Administration accepted recommendation 6, and stated that it will rescind IC 2006/078. OIOS does not agree that rescinding the IC 2006/078 indicates the implementation of the recommendation 6. Recommendation 6 remains open pending receipt of procedures to ensure the recovery of cost of maintenance of generators provided to staff.*

V. ACKNOWLEDGEMENT

34. We wish to express our appreciation to the Management and staff of UNMIL 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 Designated Official for Liberia should commission a review of the financial cap for security lighting and appropriately adjust the reimbursement rate in line with changes in fuel prices. A reduction in the financial cap may result in savings of about \$1.1 million per year.	Compliance	High	C	Action taken.	Implemented
2	The Designated Official should request the Department of Safety and Security to implement a policy for reimbursing costs of security lighting that is consistent across all Missions.	Governance	High	C	Action taken.	Implemented
3	The Designated Official for Liberia should ensure that all entitlements and benefits for staff in the Mission are established and/or revised in coordination with the Department of Management and the Department of Field Support.	Governance	High	O	Documentation showing the involvement of OHRM and DFS in the review of entitlements and benefits.	31 December 2009
4	The UNMIL Office of Mission Support should strengthen controls over the distribution, storage and use of duty-free fuel including the establishment of a stringent quota for apartment compounds, compliance with such quota during the issuance of fuel, and the establishment of accountability of tenant associations for the storage and use of fuel issued to them.	Governance	High	O	Documentation describing improved controls over the distribution, storage, and usage of duty-free fuel.	31 December 2009
5	The UNMIL Office of Mission Support should establish and implement effective procedures for the recovery of the cost of electricity provided to staff residences, estimated at a minimum of \$700,000 per year to UNMIL.	Compliance	High	O	Receipt of SOPs for monitoring and recovering the cost of electricity provided to staff residences, and an estimate of the potential savings to UNMIL for implementing these procedures.	31 December 2009

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
6	The UNMIL Office of Mission Support should establish procedures for the recovery of the cost of maintenance including spare parts for generators provided to staff residential compounds.	Compliance	Medium	O	Receipt of procedures to ensure the recovery of cost of maintenance of generators provided to staff.	31 December 2009

1. C = closed, O = open

2. Date provided by UNMIL in response to recommendations.

ANNEX 2

**Assignment No. AP2008/626/02 – Audit of the administration of staff entitlements to meet minimum operating residential security standards in UNMIL
Inconsistencies in applying Information Circular (IC) 2008/107 to reimbursements for landlord-provided electricity in January 2009**

No.	Staff member	Electricity cost per lease agreement					Amount reimbursed by UNMIL (\$)	Correct amount per IC (\$)	Overpayment (\$)
		Cost/ month (\$)	Hours/ day	Hours/ week	Percentage of 24 hours				
1.	A	400.00	14	98	58.3 %	400.00	233.00	167.00	
2.	B	600.00	16 – 19	118	70.4 %	500.00	423.00	77.00	
3.	C	600.00	14	98	58.3 %	408.00	350.00	58.00	
4.	D	500.00	16 – 21	122	72.5 %	500.00	363.00	137.00	
5.	E	370.00	14	98	58.3 %	370.00	216.00	154.00	
6.	F	400.00	12	84	50.0 %	350.00	200.00	150.00	
7.	G	350.00	12	84	50.0 %	350.00	175.00	175.00	
8.	H	500.00	18	126	75.0 %	500.00	375.00	125.00	
TOTALS						3,378.00	2,335.00	1,043.00	