



INTERNAL AUDIT DIVISION

AUDIT REPORT

Within-mission travel in MONUSCO

Internal controls were generally in place and implemented effectively. Weaknesses remained in monitoring expenditures against budget provisions, planning for trips undertaken by truck drivers and reviewing of claims of staff on temporary assignment

07 February 2011

Assignment No. AP2010/620/08

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: Mr. Roger A. Meece
A: Special Representative of the Secretary General
MONUSCO

DATE: 07 February, 2011

REFERENCE: IAD: 11- **00085**

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

Fatoumata

SUBJECT: **Assignment No. AP2010/620/08 – Audit of within mission travel in MONUSCO**

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 3 and 4 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 in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Paul Buades, Director of Mission Support, MONUSCO
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit
Mr. Byung-Kun Min, Special Assistant to the USG-OIOS
Ms. Eleanor T. Burns, Chief, Peacekeeping Audit Service, OIOS
Ms. Amy Wong, Programme Officer, Internal Audit Division, 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

DIRECTOR:

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

DEPUTY DIRECTOR:

Gurpur Kumar: Tel: +1.212.963.5920, Fax: +1.212.963.3388,
e-mail: kumarg@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 within mission travel in MONUSCO

The Office of Internal Oversight Services (OIOS) conducted an audit of within mission travel in MONUSCO. The overall objective of the audit was to assess the adequacy and effectiveness of internal controls over within mission travel paid to staff. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

Based on a review of a sample of 500 travel claims, OIOS is of the opinion that MONUSCO had established a system of internal control over within mission travel that was generally adequate and operating effectively. However, there were opportunities to further strengthen controls, as follows:

- Mechanisms for monitoring expenditures against budget allocations to programme managers were not fully adequate or effective. Consequently, five of the nine programme budgets reviewed during the audit had expenditure overruns exceeding \$100,000.
- The review and approval of travel claims by the Finance Section did not include a review of staff members' time and attendance records. The lack of this procedure resulted in overpayments to two staff on temporary assignment who had received daily subsistence allowance when on leave from the Mission.

OIOS made five recommendations to address the issues identified during the audit and to improve related controls. MONUSCO accepted the recommendations and is taking action to improve internal controls.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of within mission travel in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. Effective 1 July 2009, international and national staff members and United Nations Volunteers in receipt of post adjustment for non-family missions, who are required to travel on duty within the Mission, are paid daily subsistence allowance (DSA). United Nations Military Observers, Civilian Police Officers, Field Staff Officers and other staff in receipt of mission subsistence allowance (MSA) are paid the accommodation portion of MSA for duty travel within the Mission.
3. During the period 2009/2010, the Mission incurred expenditure of \$7,5810,655 against a budget of \$7,587,000, representing three per cent over-expenditure.
4. Comments made by MONUSCO 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 within Mission travel.

III. AUDIT SCOPE AND METHODOLOGY

6. The audit covered within mission travel services for the period 1 July 2009 to 30 June 2010. It included a review of the processing of: (a) electronic movement of personnel (e-MOP) forms; (b) processing and payment of travel entitlements; and (c) monitoring of within mission travel expenditures by sections. A sample of 500 within mission travel claims valued at \$793,017 out of a total of 10,497 travel claims valued at \$7,810,655 were reviewed.
 7. The audit methodology included a review of relevant records, analysis of data, interviews with key Mission personnel and field visits to Goma and Entebbe.
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IV. AUDIT RESULTS

A. Monitoring of within mission travel expenditure

Controls over within mission travel expenditure

8. Paragraph 5 of Administrative Circular 2008/15 issued on 31 October 2008 requires the Budget Section to advise each unit or section of the total amount provided for official travel and to provide information that will enable each unit/section to monitor and manage the expenditure of its allotted amount for the financial year.

9. The Budget Section provided the required reports to programme managers. However, the information contained in the reports was incomplete, as it only included payments made, and omitted details on commitments and obligations. The lack of this information was one of the reasons that some sections exceeded their allocated budget. For example, five of the nine programme budgets/sections reviewed during the audit had over-expenditures of more than \$100,000. Programme managers explained that these budget overruns were due to increased operations in the Eastern part of DRC. However, four of the nine programme managers were not able to demonstrate that they were properly monitoring their budgets, as they did not maintain records of the number of travels they had authorized. Consequently, there is a need for improved monitoring of travel by programme managers.

Recommendation 1

(1) The MONUSCO Office of Mission Support should continue to strengthen internal controls over within mission travel by ensuring both programme managers and the Budget Section adequately monitor travel costs.

10. *The MONUSCO Office of Mission Support accepted recommendation 1 and stated that it would ensure budgetary controls over within mission travel costs are improved. Programme managers and the Budget Section will implement monthly reviews of expenditure reports against budgeted allotments to monitor travel costs. Recommendation 1 remains open pending confirmation that monthly reviews have been implemented.*

B. Approval of within mission travel

Extension of the period of within mission travel

11. Prior to travel, a MONUSCO truck driver is issued with a movement authority letter stating the number of days allowed for the trip. Prior approval is required to extend a trip beyond the authorized number of days. Upon completion of the trip, the driver needs to fill out and submit a travel claim (F10) together with the approved e-MOP form and movement authority letter.

12. The authorized number of days in respect of 34 claims submitted by drivers of the Heavy Trucking Unit (HTU) was exceeded by about 10 days and in some cases 15 days. There were no valid justifications and evidence that the additional days were approved. The additional days necessary to complete the trip was attributed to the lack of proper planning prior to initiating the travel. OIOS also noted that due to inadequate monitoring by Management, 27 of the 34 claims reviewed were not supported by the required movement authority letter.

Recommendation 2

(2) The MONUSCO Office of Mission Support should ensure that trips of truck drivers are properly planned and more closely monitored so that additional days needed for each trip are justified and approved in advance.

13. *The MONUSCO Office of Mission Support accepted recommendation 2 and stated that Management would ensure that extended trips by truck drivers are more closely scrutinized and properly justified. Procedures would also be put in place to ensure that only claims that were properly documented and approved by a designated officer are paid.* Recommendation 2 remains open pending verification of the procedures implemented to improve monitoring and documenting the approval of trips undertaken by truck drivers.

Within mission travel cost not properly accounted for

14. Paragraph 6.4.2 of the Field Finance Procedure Guidelines requires that expenditures must be charged to the correct allotment account code in the SunSystem.

15. The within mission travel account was wrongly debited for within mission training travel cost totalling \$21,326. This was attributed to the lack of adequate review of the e-MOP by the Finance Section to ensure that travel costs were properly classified.

16. The Mission was of the view that expenditures for within mission travel and travel for training within the mission were official travels and hence they were charged to the same account code while the cost of travel for external training was charged to a separate account.

Recommendation 3

(3) The MONUSCO Office of Mission Support should ensure that the within mission travel account is charged only for costs related to within mission travel in compliance with the Field Finance Procedures Guidelines.

17. *The MONUSCO Office of Mission Support accepted recommendation 3 and stated that all within mission travel cost related to training would be properly accounted for and charged to the Missions training budget, effective*

from the new accounting cycle. Based on the assurances provided by Management, recommendation 3 has been closed.

Overpayment of within mission travel entitlements

18. Annex B of the Financial Information Circular on DSA issued on 8 June 2010 by the Finance Section stated that DSA is paid to cover cost of food, lodging and incidentals during official travel of staff members outside their duty station. Paragraph 10 further states that when annual leave is combined with official travel, full DSA rate is paid for the period of approved official duty only.

19. The review and approval of F10 claims by the Finance Section did not include the review of the staff members' time and attendance sheets for the periods of their travels. This has resulted in overpayment of within mission travel entitlement. OIOS' review identified two staff members based in Kinshasa, on temporary duty (TDY) in Goma for 94 days and 71 days, that were paid DSA of \$2,550 and \$1,870, respectively for days that they were out of the Mission on annual leave and rest and recuperation. When this was discussed with Management, immediate attention was given to ensure recoveries were initiated.

Recommendations 4 and 5

(4) The MONUSCO Office of Mission Support should establish appropriate procedures for the review and approval of travel claims that include, among other things, the review of the time and attendance sheets of claimants.

(5) The MONUSCO Office of Mission Support should recover erroneous payments of \$2,550 and \$1,870 of daily subsistence allowance made to two staff members, and review and take action appropriately on all similar cases.

20. *The MONUSCO Office of Mission Support accepted recommendation 4 and stated that the Finance Section now reviews corresponding monthly attendance sheets prior to approval of F10 claims for all staff. Based on the action taken, recommendation 4 has been closed.*

21. *The MONUSCO Office of Mission Support accepted recommendation 5 and stated that action had been initiated to recover the overpayments. An exercise is also currently underway to vigorously review all similar cases of TDY to identify additional errors. Recommendation 5 remains open pending receipt of the outcome of the ongoing review of similar cases of TDY.*

V. ACKNOWLEDGEMENT

22. We wish to express our appreciation to the Management and staff of MONUSCO 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 MONUSCO Office of Mission Support should continue to strengthen internal controls over within mission travel by ensuring both programme managers and the Budget Section adequately monitor travel costs.	Financial	Medium	O	Confirmation that monthly reviews have been implemented.	1 July 2011
2	The MONUSCO Office of Mission Support should ensure that trips of truck drivers are properly planned and more closely monitored so that additional days needed for each trip are justified and approved in advance.	Operational	Medium	O	Verification of the procedures implemented to improve monitoring and documenting the approval of trips undertaken by truck drivers.	31 March 2011
3	The MONUSCO Office of Mission Support should ensure that the within mission travel account is charged only costs related to within mission travel in compliance with the Field Finance Procedures Guidelines.	Financial	Medium	C	Action taken.	Implemented
4	The MONUSCO Office of Mission Support should establish appropriate procedures for the review and approval of travel claims that include, among other things, the review of the time and attendance sheets of claimants.	Financial	Medium	C	Action taken.	Implemented
5	The MONUSCO Office of Mission Support should recover erroneous payments of \$2,550 and \$1,870 of daily subsistence allowance made to two staff members, and review and take action appropriately on all similar cases.	Operational	Medium	O	Outcome of the ongoing review of similar cases of TDY.	Ongoing

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