UNITED NATIONS NATIONS UNIES

UNMIT

United Nations Integrated Mission in Timor-Leste

Postal Address: Obrigado Barracks, Caicoli, UNMIT Headquarters, Dili, Timor-Leste

INTEROFFICE MEMORANDUM

CONFIDENTIAL

DATE: 2 March 2012

REFERENCE: CMS/MEMO/2012/009

TO: Ms. Eleanor T. Burns, Chief
Peacekeeping Audit Services
IAD, OIOS

FROM: Amadu Kamara
Chief of Mission Support

SUBJECT: **Re: Assignment no. AP2011/682/04 – Audit of fuel management in UNMIT**

1. Further to your memorandum to SRSG Haq dated 10 February 2012 on the above subject, please find attached the completed response table on the audit recommendations.

2. Following a reported fuel fraud in the mission, management has launched an immediate review of mission procedures for the delivery and recording of fuel. It has been observed that the pre-existing internal control mechanisms that detected the alleged fraud operated post facto, hence discrepancies were observed only historically. Management now seeks to devise a system that will detect irregularities much earlier in the process, thereby mitigating the risk of exposure to financial loss.

cc: SRSG
CISS
CAS
Chief Supply
Chief Resident Auditor

ANNEX I

AUDIT RECOMMENDATIONS

Audit of fuel management in UNMIT

Rec. no.	Recommendation	Critical[1]/ important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNMIT should strengthen its controls over the receipt of fuel by further clarifying the roles and responsibilities of staff involved in the process and monitoring compliance with fuel receipt procedures.	Important	Yes	Chief Supply, Chief General Services, Chief Engineering, Chief Transport, Chief AirOps.	15 April 2012	Under implementation. An amended SOP (6) has been prepared and is under review. SOP (7) for Aircraft fuel is still under preparation. See BoE 1 and 2. The final SOPs will reflect the reviewed measures put in place for the receipt and recording of fuel reviewed to avert any possible abuse of the system.
2	UNMIT should ensure that effective fuel controls are in place and there are adequate records to monitor and report on fuel stock movements and balances for both contingent-owned and United Nations-owned equipment.	Important	Yes	Chief Supply	Implemented	Implemented. Fuel entries are now recorded in Carlog and cross checking is done for vehicles. Fuel issued for generators is crosschecked with Engineering Section. Aviation Section receipts are also cross-checked with Supply Section. See BoE 3. All crosschecks done monthly.
3	UNMIT should analyze fuel consumption on a monthly basis to prevent and/or detect irregularities in a timely manner.	Important	Yes	Chief Supply	Implemented	Implemented. Monthly analysis of fuel consumption is now conducted in cooperation with Transport, Engineering and Aviation Sections. See BoE 4.

[1] Critical recommendations address significant and/or pervasive deficiency or weakness in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

2 Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Rec. no.	Recommendation	Critical[1]/ important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
4	UNMIT should ensure that fuel tanks and equipment are properly maintained through scheduling regular maintenance.	Important	Yes	Chief Supply, Engineering, Transport, Security. Advisor.	Implemented.	Implemented. Transport Section has established maintenance schedules for the fuel trucks based on manufacturer instructions. Engineering Section conducts the regular maintenance of the generators and outside connections (pipes and valves) of the fuel tanks. The Fire Safety Officer from Security Section has established a monthly inspection/maintenance schedule for fire fighting equipment. The fuel container that was purchased for the SFR is under the guarantee of the manufacturer.