

Confidential

TO: Ms. Eleanor Burns, Chief,
A: Peacekeeping Audit Service, Internal Audit Division,
Office of Internal Oversight Services

DATE: 5 April 2012

REFERENCE:

THROUGH:

S/C DE:

FROM: Anthony Banbury, Assistant Secretary-General,
DE: Acting Head of the Department of Field Support



SUBJECT: **Draft OIOS report on the audit of assets disposal during the liquidation**
OBJET: **of UNMIS – Assignment no. AP2011/632/18**

1. I refer to your memorandum dated 20 March 2012, regarding the above-mentioned audit. Please find attached our comments on the recommendations contained in the draft report.
2. Paragraphs 14 -15: With regard to the life expectancy and current condition of equipment identified for transfer to other missions, these assets were already in use at those locations. Since disposal and replacement would have required budgetary decisions by the receiving mission, the Liquidation Team decided to transfer the existing stock and allow the receiving mission to make the write-off and replacement decisions based on their mission mandates.
3. Thank you for the opportunity to comment on the draft report. We stand ready to provide any further information that may be required.

cc: Ms. Wong

AUDIT RECOMMENDATIONS

Assignment no. AP2011/632/18 – Audit of assets disposal during the liquidation of UNMIS

| Rec. no. | Recommendation | Critical ¹ / important ² | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|----------|---|---|-----------------------|---------------------------------------|------------------------|--|
| 1 | The UNMIS Liquidation Team, with the assistance of the Department of Field Support, should continue to locate/account for the 1,111 assets identified in the 'Not Found Yet' category as of 19 January 2012 and dispose of these assets in accordance with the Property Management Manual and the Liquidation Manual. | Important | Yes | DMS/UNMIS | 3rd Qtr 2012 | DFS in its Directive on Property Management for the financial year 2012 circulated to missions, including UNMIS, UNISFA and UNAMID provided guidance on reconciliation of discrepancies. The Department has further provided specific guidance on finalization of UNMIS post-liquidation activities in a facsimile from the Director of Logistics Support Division, DFS to the Director of Mission Support, UNMIS dated 13 March 2012. We note that the total 'Not Found Yet', assets declared by UNMIS included items not verified due to hostile action. For example, Abyei and Kadugli were under constant armed aggression at the time of liquidation with restricted access and as such, actual verification of assets was not done. Of the assets declared as 'Not Found Yet', 329 assets valued at \$835,000 were found in |

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.

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|----------|----------------|---|-----------------------|---------------------------------------|------------------------|---|
| | | | | | | <p>Abyei and Kadugli camps which were taken over by the new Mission, UNISFA. The Liquidation Team had transferred previously known assets to UNISFA and UNMIS which are taking measures to account for these assets.</p> <p>Furthermore, following a conflict in Blue Nile State, the Government of the Sudan (GOS) imposed a restriction on the movement of equipment. Consequently, UNMIS cannot complete the receiving and inspection as well as verification of goods from UNMIS until the GOS releases the approximate \$31million in assets pending release from Kosti that are en-route to UNMIS. A Note Verbale has been sent to the Permanent Mission of Sudan to the United Nations on this issue. UNMIS will continue to resolve the outstanding issues of liquidation, specifically the 'Not Found Yet' assets.</p> |