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INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE  
OIOS · BSCI

TO: Mr. Youssef Mahmoud  
A: Executive Representative of the Secretary-General  
United Nations Integrated Office in Burundi

DATE: 21 May 2007

REFERENCE: AUD-7-5:75 (07-00207)

FROM: Dagfinn Knutsen, Acting Director  
DE: Internal Audit Division, OIOS



SUBJECT: **Assignment No. AP2006/648/13 - Repatriation of military contingents in**  
OBJET: **ONUB**

1. I am pleased to present the report on the above-mentioned audit, which was conducted November 2006 to January 2007. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. Based on your comments, we are pleased to inform you that we will close recommendations 1, 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, particularly those designated as critical (i.e., recommendation 2), in its annual report to the General Assembly and semi-annual report to the Secretary-General.

4. IAD is assessing the overall quality of its audit process and kindly requests that you consult with your managers who dealt directly with the auditors and complete the attached client satisfaction survey form.

## I. INTRODUCTION

5. The United Nations Operation in Burundi (ONUB or the Mission) was established by Security Council resolution 1545 of 21 May 2004 with the objective of restoring lasting peace and bringing about national reconciliation in Burundi. When fully operational, the Mission had an authorized strength of 5,450 military contingent personnel, 200 military observers, and 120 United Nations Police as well as 929 civilian staff. Following successful elections and perceived improvement in the situation of the country, the Government of Burundi, on 23 November 2005, requested the gradual drawdown of United Nations' peacekeeping presence and increased focus on developmental matters. ONUB planned for the drawdown of its military forces in two phases: 40 per cent by April 2006 and the rest by December 2006. The Mission completed its mandate on 31 December 2006 and is currently in liquidation. On 25 October 2006, the Security Council, by resolution 1719, set up the United Nations Integrated Office in Burundi (BINUB) to replace ONUB. BINUB commenced operations on 1 January 2007.

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6. The Mission established an extraction team to plan and monitor the repatriation of military contingents.

7. Comments made by ONUB are shown in *italics*.

## **II. AUDIT OBJECTIVES**

8. The major objectives of the audit were to:

(a) Review the adequacy of planning for the repatriation of military contingents and equipment;

(b) Review the efficiency of executing the repatriation plan;

(c) Check that sites and contingent-owned equipment (COE) are adequately secured after departure of military; and

(d) Determine whether administrative matters are properly closed (Board of Inquiries; accounting for UN-owned equipment, rations and fuel; restoration and handover of sites, etc).

## **III. AUDIT SCOPE AND METHODOLOGY**

9. The audit covered all military repatriations and involved the review of relevant documentation, interviews of military and civilian personnel, and inspections of departed contingents' sites and sites used for the storage of COE.

## **IV. OVERALL ASSESSMENT**

10. The Mission succeeded in planning and implementing a smooth repatriation of military contingents from Burundi, restoring sites previously occupied by the contingents, and satisfactorily closing related administrative activities. However, there were shortcomings in arranging efficient and timely contracts for the repatriation of COE, finalizing arrangements for the transfer of non-expendable assets to the Government of Burundi, and obtaining environmental clearance certificates from the relevant government offices.

## **V. AUDIT FINDINGS AND RECOMMENDATIONS**

### **A. Repatriation of contingent-owned equipment**

#### Repatriation of contingent-owned equipment has been delayed

11. COE belonging to the repatriated military contingents was scheduled to be shipped to various destinations soon after the departure of the contingents in December 2006, but there have been significant delays in these shipments. The status of shipments as at 31 January 2007 was as follows:

**Table 1: Outstanding COE shipments as at 31 January 2007**

No.	Contingent	Actual Non-Operational Date	Contract pick up date	Repatriation of COE ex ONUB
1.	Nepal Battalion	20 Nov 06	21 Dec 06	In transit
2.	Thailand Engineers	07 Dec 06	21 Dec 06	In transit
3.	Pakistan Aviation	13 Dec 06	27 Dec 06	Not started
4.	Nepal Special Forces	13 Dec 06	21 Dec 06	In transit
5.	Pakistan Level II Hospital	17 Dec 06	27 Dec 06	Not started
6.	Kenya Force HQ Company	21 Dec 06	No contract	Not started
7.	Kenya Military Police Unit	21 Dec 06	No contract	Not started

*Source: MOVCON records*

12. The contract for the repatriation of the COE for the first five military contingents, shown in Table 1, was awarded to Global Container Lines (GCL) by the Movement Control Unit at DPKO Headquarters. During the first phase of the repatriation exercise conducted between December 2005 and April 2006, significant delays were encountered in repatriating COE, and the Mission advised UNHQ of these delays. Despite this, however, the contract for the second phase of repatriations was also awarded to GCL and the same problems were encountered, with the contractor not providing trucks when expected, relying on the Mission to provide mechanical handling equipment and conducting the repatriation on a piece-meal basis. In OIOS' opinion, the performance of the contractor has been unsatisfactory and GCL has not demonstrated that it has the capacity to undertake the repatriations within the period anticipated.

13. The repatriation of COE belonging to the Kenyan contingents, which was planned to be carried out under a local systems contract, was yet to commence on 31 January 2007. ONUB had a freight forwarding, handling and transport contract for the year 2006 up to 22 February 2007 with a not to exceed amount (NTE) of approximately \$1 million. As a result of the large number of shipments of UNOE and COE, the NTE amount was exhausted by October 2006. The Mission's Movement Control Section (MOVCON) raised a requisition and Scope of Work for a new contract on 2 November 2006, however, the procurement case was not presented to the Local Committee on Contracts until 23 January 2007. Subsequently, the subject contract has been finalized. The delay in awarding the contract has occurred despite the regular participation of the MOVCON and Procurement Sections at meetings of the extraction team, where planned repatriation dates and requirements to effect shipments were extensively discussed. With the information obtained from these meetings, these sections should have been in a position to ensure timely finalization of the necessary contracts.

14. In accordance with the COE manual, the above delays have resulted in the Organisation incurring a financial liability for 50 per cent of the wet lease rates for equipment from the date of cessation of operations to the date of their repatriation from the Mission area. As at 31 January 2007, this amounted to at least \$82,000 for the Kenya and Pakistan units alone. The penalties for the delayed repatriation of COE belonging to the Nepalese and Thai contingents that were in progress on that date have not been estimated.

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### Recommendations 1 to 3

#### The ONUB Administration should:

(1) The ONUB Administration should ensure that the contractor conducts the repatriation of contingent owned equipment without further delay.

(2) The ONUB Administration should formally advise the Movement Control Unit in New York of the delays and other shortcomings in the execution of the contract for the repatriation of contingent-owned equipment so that appropriate remedies included in the contract can be invoked.

(3) The ONUB Administration should establish a monitoring system to ensure that appropriate action is taken to implement decisions reached at planning meetings on repatriation dates and shipments of equipment, and that any potential problems hindering the repatriation plans are identified and addressed early on.

15. *The ONUB Administration accepted recommendation 1 and stated that all COE repatriation has been completed.* Based on the action taken by ONUB, recommendation 1 has been closed.

16. *The ONUB Administration accepted recommendation 2; however, it stated that UNHQ was regularly kept informed by e-mails about any delays in the execution of the contracts.* Recommendation 2 remains open pending receipt of documentation showing that a formal advice has been sent to the Movement Control Unit in New York indicating shortcomings in the execution of the contract for the repatriation of COE by Global Containers Lines.

17. *The ONUB Administration accepted recommendation 3 and stated that decisions reached at planning meetings were documented and distributed to all participants. Updated status reports including problems encountered that were hindering the repatriation plans as well as actions taken to implement the decisions were presented at fortnightly Transition Team meetings, chaired by the CAO and attended by senior administration and military managers.* Based on the action taken by ONUB, recommendation 3 has been closed.

### B. Non-expendable assets

#### UN-owned equipment still in use by Republic of South Africa cum African Union contingent

18. Onus's mandate came to an end on 31 December 2006 when the last remaining military contingent in Burundi, from the Republic of South Africa (RSA), was re-established as African Union troops. On that date, the UNOE that had been installed by ONUB during its tenure were still in use by the RSA/AU contingent without a duly executed document authorizing such use and outlining accountability procedures. These consisted of approximately 480 non-expendable engineering assets consisting of air conditioners, prefab accommodation and ablution blocks with an estimated depreciated value of \$1.8 million.

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The assets have been signed for by a staff member from the Engineering Section but were effectively being used by non-UN personnel since January 2007. OIOS was informed that it is the intention of the Organisation to donate these assets to the Government of Burundi for the exclusive use of the African Union Special Task Force. The donation has not yet been approved by the General Assembly. In the interim, the Mission has submitted a draft memorandum of understanding to the government for review and comments, formalizing DPKO's temporary transfer of the assets.

#### **Recommendation 4**

**(4) The ONUB Administration should expedite the finalization of the memorandum of understanding between the United Nations and the Government of Burundi to regularize the use of the Organization's assets by the African Union Special Task Force.**

19. *The ONUB Administration accepted recommendation 4 and stated that the MOU has been finalized.* Based on the action taken by ONUB, recommendation 4 has been closed.

#### **C. Environmental issues**

##### Environmental clearance certificates not obtained from competent authorities

20. Procedures for the restoration of contingents' sites involved inspections by teams comprising personnel from various units of the Mission. The inspections were carried out before the sites were vacated to ensure they were clear of debris, and that there was no contamination of the soil or other environmental degradation. Any garbage disposal or restoration work that was required was highlighted to be performed by an identified unit. A final inspection was conducted after remedial work was completed at each site. Thereafter, sites were handed over to the property owner, with a handover report signed by him and an ONUB representative. The report included, inter alia, a statement that the premises had been inspected and were fully acceptable to the landlord in their current condition.

21. In OIOS' opinion, to ensure that inspections of sites occupied by the Mission are conducted in a manner acceptable to the government, the Mission should consider including a representative from the Ministry of Territorial Development, Environment, and Tourism in the Mission's inspection team.

#### **Recommendation 5**

**(5) The ONUB Administration should consider including a representative from the Ministry of Territorial Development, Environment, and Tourism in on-going and future environmental inspection teams and obtain the government representative's signature to certify that sites have been environmentally cleared before they are handed over to the property owners.**

22. *The ONUB Administration accepted recommendation 5 and stated that a government representative has been nominated as a member of the environmental inspection team and an e-mail has been sent out to all concerned giving the details of the Burundian*

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*focal points.* Recommendation 5 remains open pending receipt of documentation from ONUB showing that the government representative's signature has been obtained to certify that sites have been environmentally cleared before they are handed over to the property owners.

## **VI. ACKNOWLEDGEMENT**

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

cc: Mr. Deligia Gianni, Chief Administration Officer, ONUB  
Mr. Philip Cooper, Director, ASD/DPKO  
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors  
Mr. Jonathan Childerley, Chief, Oversight Support Unit, Department of Management  
Mr. Mika Tapio, Programme Officer, OIOS  
Mr. Malick Diop, Chief Resident Auditor, ONUB

## STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	C/O <sup>1</sup>	Actions needed to close recommendation	Implementation date <sup>2</sup>
1	C	Action completed	Implemented
2	O	Submission to OIOS of documentation showing that a formal advice has been sent to the Movement Control Unit in New York indicating shortcomings in the execution of the contract for the repatriation of COE by Global Containers Lines	Not provided
3	C	Action completed	Implemented
4	C	Action completed	Implemented
5	O	Submission to OIOS of documentation showing that the government representative's signature has been obtained to certify that sites have been environmentally cleared before they are handed over to the property owners	March 2007

<sup>1</sup> C = closed, O = open

<sup>2</sup> Date provided by ONUB in response to recommendations.

UNITED NATIONS



OIOS Client Satisfaction Survey

Audit of: ONUB Military Repatriation

(AP2006/648/13)

	1	2	3	4	5
By checking the appropriate box, please rate:	Very Poor	Poor	Satisfactory	Good	Excellent
1. The extent to which the audit addressed your concerns as a manager.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The audit staff's understanding of your operations and objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Professionalism of the audit staff (demeanour, communication and responsiveness).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The quality of the Audit Report in terms of:					
• Accuracy and validity of findings and conclusions;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Clarity and conciseness;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Balance and objectivity;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Timeliness.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The extent to which the audit recommendations were appropriate and helpful.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The extent to which the auditors considered your comments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Your overall satisfaction with the conduct of the audit and its results.</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please add any further comments you may have on the audit process to let us know what we are doing well and what can be improved.

Name: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

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Thank you for taking the time to fill out this survey. Please send the completed survey as soon as possible to:  
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 By mail: Room DC2-518, 2 UN Plaza, New York, NY 10017 USA  
 By fax: (212) 963-3388  
 By E-mail: [iad1support@un.org](mailto:iad1support@un.org)