



INTERNAL AUDIT DIVISION

OFFICE OF INTERNAL OVERSIGHT SERVICES

AUDIT REPORT

**Audit of route clearance and
verification demining project in UNMIS**

21 November 2007

Assignment No. AP2007/632/02

United Nations  Nations Unies

INTEROFFICE MEMORANDUM


MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE
OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTROLE INTERNE

TO: Mr. Ashraf Jehangir Qazi
A: Special Representative of the Secretary-General
United Nations Mission in Sudan

DATE: 21 November 2007

REFERENCE: AUD-7-5:26 (07- 00770)

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

SUBJECT: **Assignment No. AP2007/632/02: Audit of route clearance and
OBJET: verification demining project in UNMIS**

1. I am pleased to present the report on the above-mentioned audit, which was conducted from February to April 2007.
2. Based on your comments, we are pleased to inform you that we will close recommendations 3, 5, 6, 7, 10 and 13 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. As the Mission did not comment on recommendations 4 and 11, OIOS requests that UNMIS provide its comments on these recommendations as soon as possible.
3. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as critical (i.e., recommendations 4, 9 and 11), 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.

cc: Ms. Ameerah Haq , DSRSG (RC/HC), UNMIS
Mr. James Pansegrouw, Director, UN Mine Action Office, Khartoum
Mr. Philip Cooper, Director, DFS
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Mr. Jonathan Childerley, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Programme Officer, 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).

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EXECUTIVE SUMMARY

Audit of route clearance and verification demining project in UNMIS

The Office of Internal Oversight Services (OIOS) conducted an audit of the effectiveness of the UNMIS Mine Action Office (UNMAO) route clearance and verification project from February to April 2007. The Mine Action Office in Sudan is a field office of the United Nations Office of Project Services (UNOPS). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

The United Nations Mine Action Service (UNMAS) in DPKO is responsible for managing mine action programmes around the world. UNMAS and UNOPS have signed seven Memorandums of Agreement (MOAs) regarding Sudan mine action. De-mining operations are carried out by armed forces of Troop Contributing Countries (TCCs) and by commercial contractors and NGOs. Actual expenditures incurred by UNMIS for the mine action programme from August 2004 to 30 June 2007 are approximately \$64.7 million.

Generally, mine action in Sudan was well managed, however, OIOS noted certain weaknesses in managing the contracts with UNOPS. For example, the task orders issued to commercial contractors for implementing the work plan did not contain adequate information to establish an audit trail. Similarly, the agreements with the contractors were ambiguous concerning minimum conditions for "satisfactory completion" of the task and the rates at which deductions will be made from the contractor's invoice, should the contractor fail to complete the job satisfactorily. The contractors submitted invoices to UNOPS and were paid by the Controller through UNMAS. UNMAO, which issued the task orders, was not the certifying office for the contractors' invoices to ensure that the contractors were paid for actual work done, thus creating an internal control weakness in the process. OIOS also noted the payment of \$530,000 to the contractor for 23 unproductive days, on which no work was done as the Mission was unable to provide force protection. The general description of the mine action project in the Memorandum of Agreement between UNMAS and UNOPS contained no milestones, making it difficult to monitor its implementation.

From July 2006 to December 2006, UNMAO made purchases of over \$1 million. However, it did not have an effective and efficient procurement and inventory management system in place to safeguard assets. The audit also identified some irregularities in the procurement of equipment.

TCC mine detection companies deployed in UNMIS did not have adequate training in internal mine action standards (IMAS) and took considerable time to undergo training at a cost of about \$3 million to the Organization.

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I. INTRODUCTION

1. Sudan has been involved in civil war for more than two decades. The country is currently classified as one of those most affected by mines and explosive remnants of war (ERW), with 21 of the 26 States affected. The majority of the contaminated areas, comprising arable and livestock grazing land, access routes and connection roads are located in the South.

2. UN Security Council Resolution 1590 of 24 March 2005, which established the United Nations Mission in Sudan (UNMIS), mandated that the Mission is to: “assist the parties to the Comprehensive Peace Agreement (CPA) in cooperation with other international partners in the mine action sector, by providing humanitarian de-mining assistance, technical advice and coordination”. Usually, the United Nations Mine Action Service (UNMAS) in DPKO outsources the actual management of de-mining operations to the United Nations Office for Project Services (UNOPS) worldwide. UNOPS has operated an emergency mine action programme in Sudan since September 2002. After the establishment of the United Nations Advanced Mission in Sudan (UNAMIS) and subsequently UNMIS, UNMAS entered into a Memorandum of Agreement (MOA) with UNOPS in August 2004 for mine action service in Sudan. UNOPS upgraded its existing operation in Sudan and established the United Nations Mine Action Office (UNMAO) which began functioning in Sudan in August 2004 and became fully operational in March 2005 after the CPA was signed. UNMAO is implementing on behalf of UNOPS, the UNMAS mine action programme in Sudan. Usually, the MOA defines the terms and conditions of the agreement, between UNMAS and UNOPS, who have signed seven MOAs for Sudan mine action to date.

3. De-mining operations are carried out by the armed forces of Troop Contributing Countries (TCCs) and by commercial contractors and NGOs. UNMAO is the focal point responsible for coordinating, facilitating and implementing quality assurance for all mine action activities in Sudan. UNMAO’s headquarters is in Khartoum. It has also has two regional offices in Kadugli and Juba, and eight sub-offices throughout Sudan. UNMAO reports to three authorities: (a) the DSRSG, (b) UNMAS and (c) UNOPS.

4. UNMAO has 52 international staff, (8 of whom are sponsored by the Swedish Government) and a Chief Technical Officer/Director of Programme who is responsible for developing and maintaining a mine action 96 national staff. At the time of the audit, UNMAO had 3 international staff vacancies and 36 among national staff.

5. UNMAO operates within the Government of Sudan National Strategic Frame Work. The aim of the framework: “is to provide operating guidelines and to streamline the efforts of all the mine action operations in the Sudan for achieving the corporate goals of mine action contained in this document, including, mine risk education (MRE), victims assistance, anti-personnel mine stockpile destruction, advocacy and capacity building. UNMAO prepares the following three interrelated planning documents every year to provide a platform for mine action:

- Portfolio of Mine Action Projects in Sudan
- UN Work Plan for Sudan
- Mine Action Annual Operational Plan for Sudan

6. UNMAO has assigned work to three commercial de-mining companies (ArmorGroup, FSD, Swiss and Mechem, as well as to five TCC Military De-mining Companies for its major operations. The contract with commercial companies was finalized by UNOPS HQs, while UNMAO is responsible for implementing the contracts and for quality assurance.

7. UNMAO issues task dossiers to the de-mining companies based on the policy for mine action in Sudan and the Sudan National Plan for Mine Action. The contractors prepare their implementation plans for approval by UNMAO before the task is undertaken. Operations/Quality Assurance Officers send daily and weekly reports to regional offices and headquarters for input into the Information Management System for Mine Action (IMSMA).

8. The UNMIS assessed budget for mine action programme was as follows:

Table 1: UNMIS budget for mine action programme

Component	Aug 2004- Jun 2006 (22 months)	Jul 2006- Jun 2007 (12 months)	Total
Verification and clearance contracts	\$16,383,819	\$27,943,000	\$44,326,819
Personnel costs	5,678,886	6,331,000	12,009,886
Management Fee	1,913,825	2,880,630	4,794,455
Equipment	1,860,103	1,499,870	3,359,973
Travel	--	234,000	234,000
TOTAL	\$25,836,633	\$38,888,500	\$64,725,133

9. The verification and clearance contracts represented about 63 to 72 per cent of the assessed budgets for 2004-2006 and 2006-2007 respectively. Actual expenditures incurred by UNMIS on the mine action programme from August 2004 to 31 Dec 2006 were as follows:

Table 2: Actual expenditures on Mine Action from the UNMIS budget

Description	Amount
Project cost	\$42,020,180
Management fee	3,361,616
Total	\$45,381,796

10. UNMAO anticipates expenditures of \$19,343,337 as part of its assessed budget from 1 January 2007 to 30 June 2007. Thus by the end of June 2007, expenditures during the period 2004-2007 for the mine action programme in Sudan will total \$64,725,133.

11. Comments made by UNMIS are shown in *italics*.

II. AUDIT OBJECTIVES

12. The primary objective of this audit was to assess the impact, effectiveness and efficiency of the UN Mine Action Office route clearance and verification project.

III. AUDIT SCOPE AND METHODOLOGY

13. The audit covered the period from July 2005 to December 2006, and focused on assessing:

- (a) Project plan achievements relative to objectives, time and costs;
- (b) Effectiveness of the mine action programme in terms of reduced accidents and injuries;
- (c) Accreditation, supervision and monitoring of commercial/civilian contractors and military de-mining contingents' work;
- (d) Equipment procurement and management;
- (e) Contract management; and
- (f) Management of cash.

14. Since UNOPS and UNMAS are responsible for the contracting process from the point of issuing a Request for Proposal to evaluating, selecting and entering into a contract with the winning bidder, the contract process was not covered in this audit as the process was handled in New York. However, the audit reviewed the implementation of these contracts. OIOS interviewed Mission and Mine Action Officers and reviewed pertinent records.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Programme achievements

15. Generally, the Mine Action Programme (MAP) managed by UNMAO in Sudan was a well-run programme which had achieved most of its objectives. During the period under review, 757.2 kilometers out of 1204 kilometers were cleared. At the time of the audit, UNMAO indicated that they were in the process of updating the 757.2 kilometers reported in January 2006 since it takes about three months to gather actual records/information from the field/sectors to input into the data into the database.

16. UNMAO ensured that all mine action activities were carried out in accordance with the International Mine Action Standards (IMAS) and National Technical Standards and Guidelines. UNMAO housed the representatives of UNDP, UNICEF, National Mine Action Authority (NMAA) including the South Sudan De-mining Commission (SSDC) in Juba to enhance coordination and collaboration, monitoring and evaluation of programmes, knowledge sharing and

training. UNMAO assisted UNICEF and UNDP with mine risk education and by opening a Landmine Safety Project office in Khartoum, Kadugli and Juba to coordinate the MRE activities in Sudan. UNMAO also developed and maintained a fully functional Information Technology infrastructure in compliance with IMSMA to facilitate access to data and information from UNMAO headquarters, regional offices and sub-offices.

B. Contract management

Task order format

17. UNMAO does not have a contract management officer. Normally, UNMAO regional /field offices assign tasks to commercial contractors, by issuing Task Orders (TO), approved by the UNMAO HQs office. The TOs explain in technical detail the location and route to be verified, the distance to be covered and the number of days needed to complete the task. However, the TO does not show the amount to be paid to the contractor if the work is completed satisfactorily. Failure to specify the amount to be paid for each task in the Task order results in the absence of an essential audit trail. As a result, it was not possible to determine if the payment to the contractor for each task was accurate and in line with the contract.

Contract document format

18. The standard contract document with the commercial contractor contains the details of the monthly payments to be made. However, it does not clearly define the terms and conditions which can be called “as beyond the contractor’s control.” It also does not specifically mention UNMAO’s obligations for providing facilities to the contractor, failing which the contractor would be entitled to full payment, even if he has not completed the assigned tasks. The contract document also does not specify the minimum conditions for “satisfactory completion” of the task or set out the rates at which deductions will be made from the contractor’s invoice, should he fail to complete the task satisfactorily. In the absence of an unambiguous definition of the terms “satisfactory completion” of tasks and “unsatisfactory work”, it is not possible to determine whether the contractor fulfilled its obligations. Also, it cannot be determined if UNMAO’s recommendations for deductions from the amount to be paid were fair and justified.

Invoice certification

19. Contractors submit their invoices to UNOPS for approval which further submits them to UNMAS for review before submission to the Controller’s Office for payment. UNMAO makes recommendations on the contractor’s performance and may also suggest that some deductions be made from his invoice. However, UNMAO is not informed of the final status of the invoice and payment. Although UNMAO is responsible for ensuring that contractors perform their work as assigned, it has no significant role in certifying contractor invoices. This represents an internal control weakness as the contractor may be able to claim

and receive payment for work he had not performed and there is no verification of the contractor's claim by UNMAO.

Lack of force protection

20. During the last quarter of 2006, the contractor, Mechem, did not work for 23 days due to the lack of force protection from UNMIS. The contractor was paid in full, however, for the entire period arguing that he had deployed all of the resources to conduct mine action activities but could not perform due to conditions beyond his control, lack of protection. The amount paid to the contractor for the work not done due to lack of force protection amounted to \$530,000.

Recommendations 1 to 4

(1) The United Nations Mine Action Office should revise the format of the Task Order to indicate in clear terms the work to be done by the contractor and the amount to be paid.

(2) UNMAS should revise the format of the standard mine action commercial contract to include the terms and conditions of "satisfactory performance", the conditions for deductions from the contractor's invoice and the rates at which deductions would be made.

(3) UNMAS should institute a system for certifying contractor invoices in which UNMAO verifies on the invoice that the work claimed by the contractor was actually done in line with the contract.

(4) UNMIS should determine why force protection was not provided to the commercial contractor during the last quarter of 2006 for 23 days, causing an expenditure of \$530,000 for which no value was received.

21. *UNMIS Management accepted recommendation 1 and stated that contracts are issued for a fixed term and payment schedules are drawn up in advance. However, under the current task monitoring system utilized by UNMAO, it may be possible to predict in advance expected costs per task and, after the task is completed, it would be possible to give an accurate comparison of actual cost against the implementation plan submitted. However, given that contracts for fiscal year 2007/08 have been signed and do not use UNMAO's task monitoring system, it will not be possible to implement the recommendation until demining season 2008/09, which should be done in consultation with UNOPS. Recommendation 1 remains open pending receipt from UNMIS of copies of task orders for demining season 2008/09.*

22. *UNMIS Management stated that recommendation 2 needs to be addressed to UNOPS HQ. UNMAS will oversee necessary amendments to*

contracts by UNOPS and will ensure that OIOS recommendations are implemented. OIOS acknowledges the Mission's comments, but wishes to point out that UNOPS is not an OIOS client and as such was not included in the current audit. We therefore request that the Mission and UNMAS coordinate with UNOPS to address recommendation 2, which will remain open pending receipt of an official reply from the Mission, UNMAS or UNOPS HQ.

23. *UNMIS Management accepted recommendation 3 and stated that UNMAO has now deployed a Contract Officer to certify that invoices reflect the work completed by a contractor in accordance with the contract terms and conditions. UNOPS has notified UNMAS that in those cases where certification is not provided by the Contract Officer, payments should be withheld by UNOPS until such certification is obtained.* Based on the action taken by the Mission, recommendation 3 has been closed.

24. UNMIS Management did not provide comments to recommendation 4, which will remain open pending receipt of an official reply from the Mission.

Payments to the contractor

25. One of the contractors, Mechem, had been presenting its monthly reports within reasonable timeframes, but payment for work done as recommended by UNMAO was often delayed. A sample of payments information obtained from UNOPS revealed incidences of delayed payments by UNOPS to Mechem as shown in table 3 below:

Table 3: Late payments to Mechem

Milestone	Contract amount	Due date	Date paid	Delay in payment (Days)
4 th Payment	\$741,040	21-Dec 2005	05 May 2006	135
5 th Payment	\$741,040	31 Jan 2006	05 May 2006	95
6 th Payment	\$555,780	28 Feb 2006	20 Jun 2006	171
7 th Payment	\$804,600	31 Mar 2006	11 Oct 2006	194
10 th Payment	\$1,105,534	30 Jun 2006	8 Nov 2006	131
14 th Payment	\$691,313	31 Oct 2006	17 Nov 2006	17
Total				743
Average				124

26. Table 3 shows that for the six cases reviewed it took an average of 124 days for Mechem to be paid for the work done. OIOS also noted that with the exception of the payment received by Mechem on 7 October 2005 for signing the contract on 26 September 2005, all 17 subsequent payments to December 2006, were late. However, the contract document Section 3.4 as amended (Ref: Route Clearance and Verification in Sudan-SUD/01/R71), stipulated that "UNOPS shall effect payment to the contractor after acceptance by UNOPS of the invoices and Monthly Progress Reports and Final Technical Report submitted by the contractor in accordance with an agreed schedule in the contract." The delays in paying the contractor who met all of its obligations were not in conformity with

the contract. Such delays could affect the UNMAO implementation plan as well as contactor morale and performance.

Recommendation 5

(5) UNMAO should ensure that UNOPS pays all commercial contractors performing work on mine action projects in Sudan within a reasonable time after completion of the task as spelled in the contract.

27. *UNMIS Management partially accepted recommendation 5 and stated that there were delays in the payment of contractors' invoices during the time of the audit. This has been addressed by the recruitment of the Contracts Manager in Khartoum (November 2006), and by UNOPS appointing two Portfolio Managers for the Sudan programme in mid-2007. UNOPS has experienced delays in the release of funding from their client, which has also impacted on UNOPS' ability to adhere to their payment policy. Based on the action taken by the Mission, recommendation 5 has been closed.*

C. Procurement and inventory control

28. UNMAO's budget for procurement of equipment was \$1,499,870 for fiscal year 2006/07. From July to December 2006, UNMAO made purchases valued at \$1,024,513, which are required to comply with UN regulations and procurement rules. The review of a sample of 25 payment vouchers (out of 100) for the procurement of equipment and other services from the Payee Sub Ledger (Jan-Dec 2006) identified serious internal control weaknesses. All original documents supporting payments had been sent to New York and therefore photocopies had to be used to evaluate the adequacy of the internal control system in place, which showed that:

- (a) There was no Standard Operating Procedure for procurement;
- (b) UNMAO had not implemented effective and efficient procurement and inventory management systems to safeguard assets;
- (c) The UNMAO Logistics Section comprises Procurement, Movement of Personnel, Vehicle and Transport Section and Stores and Inventory Control Section, which due to a lack of staff does not allow for the segregation of duties;
- (d) UNMAO had acquired Field Administrative Support Services (FASS) software for its operations, but the logistic and procurement module embedded in the software had never been used due to lack of training for the procurement staff.
- (e) UNMAO commenced operations without a procurement plan.
- (f) Upon receipt of equipment purchased, the Receipt and Inspection (R&I) form is prepared and entries made on a spreadsheet.

None of the equipment purchased had been coded for inventory control purposes.

(g) There was no vendor registration system for accredited suppliers;

(h) Some of the purchases were made without inviting at least three suppliers to enable UNMAO to take advantage of competitive pricing. For example,

- In the case of DV-GEN/06/02/016 dated 01/02/2006 for \$17,500 only two bidders were invited; and

- In DV-GEN/06/09/044 and DV-GEN/06/12/008 dated 14/09/2006 and 04/12/2006 for \$53,447; the order was made from a single authorized dealer.

(i) There was no Local Contracts Committee (LCC) in UNMAO to evaluate tenders from suppliers/vendors;

(j) UNMAO was required to submit tender documents to UNDP (Khartoum) for evaluation when the request was above \$30,000 but not exceeding \$100,000. All other requests above \$100,000 were handled by UNOPS. However, UNMAO never submitted any requests to the UNDP LCC for evaluation. The procurements were split to remain below the submission level. For example, DV-GEN/06/09/006 dated 06/03/06 for \$90,375 was split into six purchase orders;

(k) The evaluation of quotations was often done by the procurement/logistics officer and his assistant and approved by the Director without subjecting the transactions to more scrutiny by other officers who were not directly involved in procurement.

29. Various assets including cars, office furniture and equipment have been earmarked for disposal. However, a disposal committee was not formed in UNMAO. During the exit conference, the Director UNMAO explained that he had requested UNOPS to establish an assets disposal committee.

Recommendations 6 to 9

(6) UNMAO management should prepare standard procurement operating procedures (SOPs) to ensure that its procurement activities conform to UN rules and regulations.

(7) UNMIS should ensure that Logistics/Procurement officers undergo training in the use of the logistics and procurement modules embedded in the Field Administrative Support Services (FASS) software to capture all transactions.

(8) UNMAS in cooperation with UNOPS should establish an asset disposal committee in UNMAO to ensure the

prompt disposal of items declared unserviceable or surplus to organizational requirements before they further deteriorate and/or reduce in value.

(9) UNMAO should conduct a physical verification of its assets, codify them, and prepare an inventory control register.

30. *UNMAO accepted recommendations 6 and 7 and stated that UNMAO works with the UNOPS Procurement Manual as its procurement SOP since 1 January 2007. All UNMAO logistics, contract and finance staff received training on this manual in December 2006, which has been reinforced by in-house training and by the Basic Support Services Course in Nairobi in September 2006. Additionally, the bad practices in the department have been stamped out and the programme draws up a procurement plan through consultations between the Chief of Support Service Staff and the Operational staff. UNMAO now handles local procurement, while UNOPS (HQ-Copenhagen) handles international procurement. Based on the action taken by the Mission, recommendations 6 and 7 have been closed.*

31. *UNMIS Management accepted recommendation 8 and stated that UNMAO has established an Asset Disposals Board in May 2007. Recommendation 8 will remain open pending receipt of documentation from the Mission showing the establishment of the Asset Disposals Board.*

32. *UNMIS Management accepted recommendation 9 and stated that UNMAO recognizes that there was an underinvestment in the support services side of the programme in an effort to get operational as quickly as possible. However, this was rectified in late 2006 by the deployment of a UN Logistics Officer and the Chief of Support Services; additional National staff were also hired. The first step conducted was to train the National staff in inventory control and asset management. Concurrently, the Regional Logistical Officers completed a 100 per cent asset check and this is being verified with the physical marking of all assets with barcodes by HQ logistical staff. Recommendation 9 remains open pending receipt from UNMIS of a copy of the official report on the completion of physical marking of assets with barcodes.*

D. Financial management

Release of Funds to UNOPS (July 2005 to June 2006)

33. The MOA for the period under review specified that the UN deposit amounts into the UNOPS account promptly after the effective date of the agreement. UNMAS delayed the release of funds to UNOPS in all cases.

Table 4: UNMIS assessed budget (July 2005-June 2006) for mine action

Period	Budget	Date due	Date deposit was released	Delay (# of days)
July-Oct 2005	\$5,776,305	16 Jul 2005	27 Sep 2005	74
Nov 05-Feb 2006	\$5,736,345	5 Jan 2006	31 Jan 2006	26
Mar 06-Jun 2006	\$6,331,126	15 May 2006	20 Jun 2006	36

34. There was no justification for the delays in the release of funds, since the funds were available in the UNMIS budget. In accordance with the MOA dated 23 October 2006 UNMAS had agreed to make available resources up to a maximum amount of \$38,888,500 for the duration of the Agreement through June 2007. The amounts were to be released to UNOPS promptly in four installments subject to submission of satisfactory quarterly financial and substantive reports. Table 5 below shows the schedule of submissions of reports and payments by UNOPS.

Table 5: Schedule of UNOPS report submissions and UNMAS payment amounts

Installments	Amount	Date of submission of quarterly report
First (Jul-Sep 2006)	\$17,676,306	Promptly
Second ((Jul-Sep 2006)	7,398,310	Not later than 31 Oct 2006
Third (Oct-Dec 2006)	6,906,960	Not later than 31 Jan 2007
Fourth (Jan-Mar 2007)	6,906,924	Not later than 30 April 2007
Total	\$38,888,500	

35. The MOA further provided that installments will be released by UNMAS, in advance of expenditures, on a quarterly basis within thirty days of the receipt of satisfactory interim financial and operational reports by UNOPS.

36. On 20 February 2007, the Director of Finance, UNOPS presented an Interim Financial Statement for the period 1 July to 31 December 2006, and requested UNMAS to deposit the amount of \$38,888,500, the budget for July 2006 through June 2007, into the UNOPS Account (see Table 6):

Table 6: Summary of UNOPS Financial Claims (20 February 2007)

Particulars	Amount	Period
Recorded expenditure and related management fees	\$19,545,163	July-Dec 2006
Anticipated expenditure	19,343,337	Jan-June 2007
Total	\$38,888,500	

37. UNOPS did not fulfill its obligations to submit the quarterly reports promptly. As a result, UNMAS could not determine whether UNOPS had fulfilled its obligation under the MOA. UNMAS did no follow-up when UNOPS did not submit its quarterly financial statement. The system of quarterly financial statements is an essential internal control provided in the MOA. However, both

UNOPS and UNMAS failed to implement this control effectively. In the absence of a regular quarterly financial statement, UNMAS was not able to control the cost and performance of the programme. UNOPS could also default in paying its contractors or in meeting its financial obligations.

Recommendation 10

(10) UNMAS should ensure that UNOPS honors its obligation of submitting quarterly financial statements to UNMAS on schedule to enable the release funds on the due dates.

38. *UNMIS Management partially accepted recommendation 10 and stated that for fiscal year 2006/07 MOAs, UNMAS has introduced new requirements for quarterly reporting by UNOPS and has established a 30-day deadline for reporting. UNMAS and UNOPS introduced a monthly joint review of performance of all programmes funded from peacekeeping budgets in order to identify issues of concerns early and take necessary measures to resolve them in a timely and efficient way. UNMAS and UNOPS regularly meet and have established smooth communication between the two offices. As a result of these measures, the quarterly financial report for the period from 1 January to 31 March 2007 was received by UNMAS in April 2007 and the quarterly report for the period from 1 April to 30 June 2007 was received by UNMAS in August 2007. Based on the action taken by the Mission, recommendation 10 has been closed.*

E. Accreditation

39. OIOS examined the accreditation certificates of the five TCC Military De-mining Companies (MDCs) – Egypt, Kenya, Pakistan, Bangladesh and Cambodia to ascertain whether the MDCs were trained and accredited by UNMAO under the International Mine Action Standards (IMAS). The evaluation report examined by OIOS confirmed that the MDCs performed their tasks between July and 31 December 2006 in accordance with the IMAS and National Technical Standards and Guidelines in Sudan. However, they took a considerable amount of time to undergo that training and to become accredited. The period spent in training/accreditation was supposed to have been spent on mine action operations. The cost of their training was paid by the United Nations.

Table 7: Cost/Time for TCC MDCs' Accreditation Training

TCC MDC	Duty Station	Date Entered	Date Deployed	Months Delayed	Rate/Month COE (\$)	Amount (\$)
Egypt	Kadugli	04/02/06	01/04/06	2	152,977.50	305,955.00
Bangladesh	Juba	24/02/06	01/05/06	2	158,861.25	317,722.50
Kenya	Wau	03/01/06	28/06/06	6	152,977.50	917,865.00
Pakistan	Damazin	10/05/06	02/07/06	2	152,977.50	305,955.00
Cambodia	Malakal	14/03/06	20/09/06	6	158,861.25	953,167.50
Total						2,800,665

Note: The monthly rate was taken from payment information to MDCs' Contingent-Owned Equipment

40. TCC MDCs from Kenya and Cambodia spent about six months in training before they were fully accredited. Considering the time all of the MDCs spent in training, UNMAS incurred costs of \$2,800,665 (excluding accommodation, rations, etc) as shown in Table 7. In OIOS' view, the TCC MDCs should have been given sufficient training in their home countries before they are deployed to UNMIS.

Recommendation 11

(11) UNMIS should ensure that Troop Contributing Countries deploy soldiers who have been trained and accredited under the International Mine Action Standards prior to their reporting to mine action service.

41. UNMIS management did not provide comments to recommendation 11, which will remain open pending receipt of official response from the Mission.

F. Programme implementation

42. Generally, mine action projects covered by the MOA have no specific milestones to use in monitoring their implementation. The MOA prescribes that mine action operations be executed in five phases.

- (i) Preparatory Phase;
- (ii) Deployment and Mobilization;
- (iii) Emergency Mine Action;
- (iv) Reconstruction and Development; and
- (v) Transition and Handover.

43. By the end of December 2006, phase 1 had been completed and phase 2 was partially complete. Phases 3 and 4 were in the planning stage. UNMAO indicated that phase 3 will be completed when the Sudan National Mine Action Authority develops sufficient capacity to assume responsibility for managing the National Mine Action Programme (NMAP). Once this occurs, phases 4 and 5 would also commence concurrently.

44. The MOA did not provide any milestones or timeliness to complete these phases, however. UNMAO is expected to hand over mine action activities in Sudan to the National Mine Action Authority (NMAA) by 2011. In the absence of any binding milestones in the MOA, the obligation to complete the programme remains open-ended and without basic benchmarks for controlling the performance of contractors and other operators, making it difficult to enforce accountability for non-performance.

Recommendation 12

(12) UNMAS should ensure that the Memorandum of Agreement signed with UNOPS contains milestones and timelines for the completion of all phases of the UNMAO

plan thereby facilitating effective and efficient monitoring of mine action activities.

45. *UNMIS Management accepted recommendation 12 and stated that proper milestones and timelines for each phase of the Mine Action Programme in Sudan as described in the MOA have been included in the draft MOA between UN and UNOPS for fiscal year 2008/09 assessed budget in line with the expected outputs which are reflected in the SG's budget proposal for UNMIS. Recommendation 12 remains open pending receipt from UNMIS of a copy of the 2008/09 budget proposal.*

G. Vacant position in UNMAO Management team

46. The Deputy/Programme Manager position has been vacant for six months, which could have serious consequences for succession planning and operations. The former Chief Technical Advisor (P5) was elevated to the Director of Programme (D1) from 1 July 2005 and the Deputy Programme Manager/Chief of Staff (P5) position was created. However, this position had been vacant since November 2006 when the former officer was transferred to New York. There was no other officer at Headquarters, who would take over from the Director when he is away, although the Deputy Programme Manager, South, stands in for him. Other officers such as the Chief of Operations, Senior Programme Manager and Chief of Support Services perform some of the duties of the Deputy PM/Chief of Staff in Khartoum. In our exit conference, the Programme Director noted that he had recommended the creation of a Chief of Support Services /Chief of Staff to fill the vacancy in headquarters.

47. In OIOS' view, the Deputy Programme Manager/Chief of Staff is essential for overseeing the programme.

Recommendation 13

(13) UNMAO should fill the vacant Deputy PM/Chief of Staff post in UNMAO Headquarters in Khartoum, which is an important position in terms of monitoring UNMAO operations and succession planning.

48. *UNMIS Management accepted recommendation 13 and stated that this position was filled on 1 July 2007, initially in an acting capacity, by the Chief of Support Services. The position was advertised on the UNOPS website in August and interviews were held from 31 August to 4 September 2007. The position was filled as of 6 September 2007. Based on the action taken by the Mission, recommendation 13 has been closed.*

V. ACKNOWLEDGEMENT

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

STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	C/O ¹	Actions needed to close recommendation	Implementation date ²
1	O	Submission to OIOS of copies of task orders for demining season 2008/09	Not provided
2	O	Submission to OIOS of an official reply from UNOPS HQ	Not provided
3	C	Action completed	Implemented
4	O	Submission to OIOS of an official reply from the Mission, UNMAS or UNOPS HQ	
5	C	Action completed	Implemented
6	C	Action completed	Implemented
7	C	Action completed	Implemented
8	O	Submission to OIOS of documentation from the Mission showing the establishment of the Asset Disposals Board	
9	O	Submission to OIOS of a copy of the official report on the completion of physical marking of assets with barcodes	Not provided
10	C	Action completed	Implemented
11	O	Submission to OIOS of official response from the Mission	Not provided
12	O	Submission to OIOS of a copy of the 2008/09 budget proposal	Not provided
13	C	Action completed	Implemented

¹ C = closed, O = open

² Date provided by UNMIS in response to recommendations

ABBREVIATIONS

COE	Contingent Own Equipment
CPA	Comprehensive Peace Agreement
FSD	Fondation Suisse de Deminage
IMAS	International Mine Action Standard
IMSMA	Information Management System for Mine Action
MAP	Mine Action Programme
MOA	Memorandum of Agreement
MRE	Mine Risk Education
NMAA	National Mine Action Authority
SSDC	South Sudan De-mining Commission
TCC	Troop Contributing Countries
TO	Task Orders
UNMAO	United Nations Mine Action Office
UNMAS	United Nations Mine Action Service
UNMIS	United Nations Mission in Sudan
UNOPS	United Nations Office for Project Services
VTF	Voluntary Trust Fund

UNITED NATIONS



OIOS Client Satisfaction Survey

Audit of: Route verification clearance and verification demining projects in UNMIS

(AP2007/632/01)

	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"/>
Your overall satisfaction with the conduct of the audit and its results.	<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: _____

Thank you for taking the time to fill out this survey. Please send the completed survey as soon as possible to:

Director, Internal Audit Division, OIOS

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By fax: (212) 963-3388

By E-mail: knutsen2@un.org