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INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION I
OFFICE OF INTERNAL OVERSIGHT SERVICES

TO: Mr. Juan Gabriel Valdes,
A: Special Representative of the Secretary General
MINUSTAH

DATE: 20 March 2006

REFERENCE: AUD-7-5:10(00158/06)

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



SUBJECT: **OIOS Audit No. AP2005/683/03: Disbursements of operational costs in MINUSTAH**
OBJET:

1. I am pleased to present herewith the final report on the above-mentioned audit, which was conducted during July and October 2005. The audit was conducted in accordance with the standards for the professional practice of internal auditing in United Nations organizations.

2. We note from your response to the draft report that MINUSTAH has generally accepted all recommendations. Based on the response, we are pleased to inform you that we have closed recommendations 2, 5, 7, 8 and 9 in the OIOS recommendations database. In order for us to close out the remaining recommendations (i.e., 1, 3, 4, 6, and 10 to 12), we request that you provide us with additional information as indicated in the text of the report and a time schedule for implementing each of the recommendations. Please refer to the recommendation number concerned to facilitate monitoring of their implementation status. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as critical (i.e. recommendations 4, 8 and 9) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

3. 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

4. OIOS conducted an audit of disbursements relating to operational costs in MINUSTAH. The Mission has disbursed a total of \$83.5 million from June 2004 to June 2005 including \$59.5 million in salaries and mission subsistence allowance and \$24 million in vendor payments.

5. MINUSTAH was established on 1 June 2004 to provide secure and stable environment for the constitutional and political process in Haiti to take place. The approved budget for the period from July 2005 to June 2006 is \$478 million, and covers the deployment of 6,700 military

contingents from 15 Troop Contributing Countries (TCC), 1,622 Civilian Police, 489 international civilian staff, 621 national staff and 179 UN Volunteers.

6. The comments made by the Management of MINUSTAH on the draft audit report have been included in the report as appropriate and are shown in italics.

II. AUDIT OBJECTIVES

7. The major objectives of the review were to ascertain whether:

- a) Disbursements were justified and made in accordance with UN Financial Regulations and Rules;
- b) Effective controls were in place for disbursements; and
- c) Payments were made in timely manner, realizing cash discounts wherever available.

III. AUDIT SCOPE AND METHODOLOGY

8. The audit reviewed supporting documentation for a sample of disbursement vouchers for the period from June 2004 to June 2005, amounting to \$24 million. The audit also examined the payment procedures and process. Interviews were conducted with personnel in Finance, Procurement and requisitioning units.

IV. OVERALL ASSESSMENT

9. OIOS found that MINUSTAH had made overpayments amounting to \$452,000 to a vendor who had supplied fuel to the Mission. This matter needs to be pursued with the vendor for reimbursement. The Mission Administration has recently taken some steps to strengthen internal controls to prevent overpayment of operational costs. Local vendors frequently complained that their invoices were not paid on time. In some cases, these complaints were unfounded, since the invoices in question were disputed by MINUSTAH. However, there were other cases where disbursements were unduly delayed. Better coordination among various sections and units is needed to process payments in a timely manner.

V. AUDIT FINDINGS AND RECOMMENDATIONS

A. Absence of written contracts to support payments

10. OIOS reviewed payments for 20 contracts in a total amount of \$8.4 million and found that \$3.8 million worth of payments relating to four contracts (see Table 1) were made without written contracts, sometimes under conditions detrimental to the Mission.

Table 1: Payments without written contracts

Case no	Vendor	Invoices	Requirements	Since
1	Haytian Tractor	\$1.9 million	Rental of generators	June 2004
2	Pyramide	\$1.0 million	Garbage removal, sewage, portable toilets, septic tanks etc	June 2004
3	Jedco	\$0.9 million	Garbage removal, sewage, portable toilets, septic tanks etc	June 2004
4	Hotel Montana	\$5000	Rental of conference room	June 2005
Total		\$3.8 Million		

11. Agreements for the provision of requirements under cases nos. 1, 2 and 3 were verbally made during the early start-up phase of the Mission. Related contracts were later submitted for the Local Committee on Contracts' (LCC) review on an *ex post facto* basis (see OIOS' audit report AP2004/683/03). The Administration admitted that there was clear departure from the UN rules and procedures for procurement in those cases, but indicated that it made the related payments because the contracted goods and services were critical for the Mission's operation. Furthermore, the Administration assured that it would certify that goods and services were delivered in a satisfactory manner and would expedite regularization of the contracts on an *ex post facto* basis. Although the Administration has made some progress to this effect by conducting new bidding exercises, OIOS is concerned that regularization had not been completed as of November 2005 and, in some cases, payments were made without full justification of vendor invoices as discussed below.

Arrangements with Haytian Tractor

12. MINUSTAH's Engineering Section, at the start up stage of the Mission, continued to use the arrangements made by the Multinational Interim Force (the predecessor of MINUSTAH) for the rental of generators (case 1 in Table 1) as of January 2006. This arrangement included the provision of generators, installation, maintenance and repair services, as well as the provision of fuel to operate the generators. OIOS found that the invoices submitted by Haytian Tractor, the vendor pertaining to case 1, were grossly inflated. This could have been corrected within a few months by using the Mission's existing generator fuel provider, a company called Dinasa. The price agreed to in the Dinasa contract under the responsibility of the Supply Section was much cheaper than the price charged by Haytian Tractor.

13. Fuel costs, as invoiced by Haytian Tractor, totaled \$1.15 million as of September 2005. Table 2 shows that Haytian Tractor's fuel price included surcharges of as high as 87 per cent in January 2005 over the market price set by the Government, whereas Dinasa applied a markup of 20 per cent over the market price. On average, Haytian Tractor's surcharge was 44 per cent above the market price. OIOS notes that Haytian Tractor started charging this exorbitant surcharge from October 2004 when the Mission and DPKO were initiating the requirements for the Power Generation Plan (PGP), which would eliminate the fuel component of Haytian Tractor's services. However, the PGP had not been finalized as of March 2006. According to the LCC minutes no. MIN/2006/042, one of the reasons was that one of the two successful bidders for the requirements valued at \$22 million, Alstom Power Rental, was a company cited by the Volker

Committee in connection with the Oil-For-Food Programme. Haytian Tractor was also selected for \$18 million worth of PGP requirements.

Table 2: Benchmarking of Haytian Tractor surcharges

MONTH	Cost per Gallon			Surcharge		Loss
	HT	DINASA	Gov't	HT(1)	DINASA(2)	(1)-(2)
04-Jun	\$1.20	\$1.34	\$1.33	-10%	1%	-11%
04-Jul	\$1.35	\$1.34	\$1.33	2%	1%	1%
04-Aug	\$1.43	\$1.34	\$1.33	8%	1%	7%
04-Sep	\$1.55	\$1.49	\$1.33	17%	12%	5%
04-Oct	\$2.00	\$1.73	\$1.39	44%	24%	19%
04-Nov	\$2.05	\$1.73	\$1.39	47%	24%	23%
04-Dec	\$2.20	\$1.64	\$1.39	58%	18%	40%
05-Jan	\$2.49	\$1.59	\$1.33	87%	20%	68%
05-Feb	\$2.40	\$1.56	\$1.42	69%	10%	59%
05-Mar	\$2.55	\$1.67	\$1.55	65%	8%	57%
05-Apr	\$2.52	\$1.81	\$1.55	63%	17%	46%
05-May	\$2.49	\$1.78	\$1.51	65%	18%	47%
05-Jun	\$2.49	\$1.83	\$1.58	58%	16%	42%
05-Jul	\$2.49	\$1.83	\$1.70	46%	8%	39%
Average	\$2.09	\$1.62	\$1.44	44%	13%	32%

14. The higher markup charged by Haytian Tractor resulted in a loss of approximately \$452,000 for the period from June 2004 to January 2006.

Loss from June 2004 to September 2005 ² :	\$361,712
Loss from October 2005 to January 2006 ³ :	\$ 90,428
Total loss from June 2004 to January 2006:	\$452,140

The loss may reach \$565,000 since extension of Haytian Tractor's services up to June 2006 has been processed through the LCC (MIN/2006/042). OIOS noted that the additional generators that the Mission is renting from two other vendors are operated with Dinasa fuel. This implies that if the Engineering Section and the Procurement Section had procured fuel through the Mission's established generator fuel provider, the loss to the Organization could have been avoided. In OIOS' opinion, the Mission should seek reimbursement from the vendor (Haytian Tractor) and assign responsibility for improper management of the rental of generators and the associated loss.

15. *While acknowledging that savings could have been realized if the refueling of MINUSTAH generators was undertaken by the MINUSTAH fuel contractor Dinasa, the Administration stated that such savings would be \$141,554.98 or 12 per cent only. The Administration stated that as a*

² This represents 32 per cent of the payments (\$1.15 million) to Haytian Tractor for generator fuel from June 2004 to September 2005

³ Loss from October 2005 to January 2006 is estimated by applying average monthly loss of \$22,607.

result of the audit, it contacted the vendor and learned that the differences in costs between the Dinasa fuel and the fuel provided by Haytian Tractor consisted of duty (tax), delivery and refueling charges. The Administration stated that since Haytian Tractor was not a registered fuel provider in Haiti, and was not the official UN fuel contractor, the fuel purchased to refuel MINUSTAH generators was purchased at the regular pump price (Government controlled price) with a mark up for providing the distribution services. Also, if Dinasa had undertaken refueling services for the generators, its prices would have been based on retail (not bulk) plus delivery and refueling charges. For the element of duty/tax on the fuel purchased by Haytian Tractor on behalf of MINUSTAH, the Administration would seek recovery from the Government of Haiti.

16. OIOS however believes that the loss of \$452,140 indicated in Table 2 is accurate, since the costs of delivery, refueling and retail charges were excluded. OIOS wishes to point out that prior to this audit, the Administration had not attempted to ascertain whether the fuel provided by Haytian Tractor included surcharge for distribution, refueling services and duties and taxes, and also whether such surcharge was economical, compared to that charged by Dinasa.

17. In OIOS' opinion, MINUSTAH Administration needs to review and regularize this arrangement into a formal contract after negotiating the alignment of fuel costs to market price. In the event that the negotiation with the vendor is not successful, the existing arrangement should be discontinued immediately and a new contract established as soon as possible. *MINUSTAH Administration commented that delivery of fuel by Haytian Tractor had been discontinued as of November 2005.*

18. There were indications that Haytian Tractor may have inflated the charges for other services, as well. MINUSTAH Finance Section found from its review of vendor invoices that the Engineering Section certified a Haytian Tractor invoice in the amount of \$7,000 for installation works although these works were performed by Mission personnel. In May 2005, Finance Section withheld the corresponding invoices and requested clarifications from the Engineering Section. However, as of November 2005 the matter was not resolved and the invoice in question was still pending.

Procurement action by the Public Information Office

19. Regarding case No. 4 involving procurement of about \$5,000, OIOS noted that the rental of conference room was made directly by the Chief of Public Information Office (CPIO), without the knowledge of the Procurement Section. This represented a conflict of interests in that the requisitioning officer also performed the procurement. This irregularity was identified by the Procurement Section which was requested by the Finance Section to provide clarification for the *ex-post facto* payment. OIOS in its previous audit on Procurement (AP2004/683/03) had also found that on two other occasions, the CPIO purchased radio spots and t-shirts without involving the Procurement Section for a total amount of around \$56,000. The CPIO subsequently explained in writing that these payments were for urgent operational requirements at the start up phase of the mission. OIOS notes that notwithstanding his awareness of procurement rules, the CPIO continued to breach them.

Recommendations 1 - 4

MINUSTAH Administration should:

- i. Refrain from making vendor payments in the absence of written contracts and formulate clear payment terms for all contracts (AP2005/683/03/01);
- ii. Strengthen the certification and approval of payments to ensure that payments are supported by valid documentation, in compliance with UN Financial Rules (AP2005/683/03/02);
- iii. Seek reimbursement from the vendor for the excess payments made towards fuel supply and assign responsibility for the lack of proper management of the rental of generators (AP2005/683/03/03);
- iv. Take appropriate action to address the repeated violations of the UN Financial Rules and established procurement procedures by the Chief Public Information Officer (AP2005/683/03/04).

20. *MINUSTAH Administration agreed with recommendation 1 in principle and stated that there are some circumstances in which a clear obligation for payment to a vendor is established, either by a Receiving and Inspection report or Certification for Services Rendered, and for which operational requirements are not compatible with the time it takes to establish a formal contract. In such circumstances, the Administration will continue to make payment even in the absence of a contract, if it is determined that failing to do so will result in potential litigation, operational difficulties, or damage to the Mission's image. The Administration also stated that OIOS made a recommendation in earlier audit of MINUSTAH procurement activities (AP2004/683/02/004) to continue to meet its payment obligations for some procurement arrangements that did not have written contracts clear payment terms. Recommendation 1 will remain open in the OIOS recommendations database until MINUSTAH provides documentation to show that payment terms have been negotiated and established in writing with the vendors indicated in Table 1.*

21. *MINUSTAH Administration accepted recommendation 2 and stated that effective 1 January 2006, changes to the invoice processing procedures will be implemented. Henceforth the Finance Section will assume full responsibility for the disbursement process, starting from the initial receipt of all invoices through the final processing of payment. This should result in strengthening controls measures and ensuring prompt payment. Based on the Mission's response, OIOS has closed recommendation 2.*

22. *MINUSTAH Administration accepted recommendation 3 in principle and acknowledged that the regularization of the arrangement with the Haytian Tractor could have been finalized earlier. In this connection the Administration endeavors to examine its internal control processes and take necessary measures to avoid a recurrence, including any accountability measures deemed necessary. The Mission also explained that the regularization of the contract was much delayed while waiting for the UNHQ's initiative to establish a Power Generation Plan (PGP), with which the Statement of Work (SOW) was developed during August and October 2004, to be operational by February 2005. The conclusion of this exercise was delayed for various reasons. Furthermore, the arrangement with Haytian Tractor was on turn key basis for the provision of refueling services when MINUSTAH did not have the personnel resources or the equipment to fulfill this task. As more staff members were assigned to the mission, its operational strength increased and gradually the*

Fuel Unit started refueling rental generators from October/November 2004 and by November 2005 the transition process was completed. Recommendation 3 will remain open pending receipt of documentation from MINUSTAH showing recovery and accountability measures taken by the Mission.

23. With regard to recommendation 4, MINUSTAH Administration stated that in consideration of the continuing violation of procurement procedures, even after formal notification by Administration, the former Chief Public Information Officer's actions will be reported to the Personnel Management and Support Service (PMSS), Department of Peacekeeping Operations, for further action. Recommendation 4 remains open pending receipt of documentation from MINUSTAH showing that the matter has been reported to PMSS for further action.

Use of MOD and direct disbursements instead of purchase orders

24. A number of invoices for major purchases totaling \$4 million were paid without matching purchase orders by using Miscellaneous Obligor Documents (MOD) and direct disbursements totaling \$201,597 and \$3.7 million respectively. Normally MODs and direct disbursements are used for minor obligations of less than \$2,500. The Engineering Section committed most of the related obligations, with about \$1.4 million (Haytian Tractor: \$1.3 million and Jedco: \$20,000). Similarly, the Communication and Information Technology Section committed about \$330,000.

25. Furthermore, OIOS noted that during the period from June 2004 to July 2005, staff received cash advances totaling 357,901 for effecting direct payments to vendors. For that purpose, the Finance Section processed MODs and direct disbursements, of which \$191,893 exceeded the allowed individual threshold amount of \$2,500 (See Table 3).

Table 3: Cash advances made to staff for direct payments to vendors based on MOD and direct disbursement

Certifying Section	Amount
Communication and Information Technology	\$150,776
Engineering	\$24,909
Administration	\$6,206
CAO-Cap Haitien	\$24,909
RFP-Miragoane	\$10,000
Total	\$191,893

Recommendation 5

MINUSTAH Administration should discontinue use of miscellaneous obligator documents and direct disbursement for major purchases for which purchase orders should be used (AP2005/683/03/05).

26. *MINUSTAH Administration accepted recommendation 5 in principle and agreed that Direct Disbursement Requests (DDRs) should only be used for purchases under \$2500, which has been the practice of the Mission. However, the Administration stated that it is not aware of any stipulations limiting the value of a Miscellaneous Obligor Document (MOD). It is an established practice to utilize MODs for certain type of payments that are repetitive and not conducive to payment by purchase order, such as payment of utilities. Thus in accepting in principle that major purchases should be made by purchase orders (POs), the Mission stated it believes that the determining factor in deciding whether to use POs or MODs is based on the nature of the transaction as opposed to the value of the transaction. Based on the Mission's response, OIOS has closed recommendation 5.*

B. Belated payments and payment process

27. OIOS reviewed a sample of 513 invoices and found that it took 89 days on an average to pay the invoices. The UN standard payment terms are 30 days after goods and services are delivered. The Mission received about 230 invoices for the month of July 2005.

28. Most of the prolonged delays, including a case that took the longest turnaround time of 330 days, were related to invoices for verbal commitments entered into during the start-up phase of the Mission. This required extensive efforts by the Administration to verify the charges. For example, it took 150 days to pay an invoice in the amount of \$200,000 (DV no. 5-30-01121) and 77 days for an invoice in the amount of \$16,231.40 (DV no. 4-30-11005).

29. Some delays were unavoidable due to disputes with vendors. For example, a requisitioning unit did not certify some \$18,000 out of 10 invoices totaling \$57,000 submitted by a vendor (Express Logistics Service) because it found duplicate charges and overcharges. OIOS noted that it took time and effort of the Administration to negotiate disputed charges item by item with the vendor who finally agreed to adjust the invoices.

30. OIOS noted that some improvements were underway or needed to be initiated, as follows.

- (a) Some blanket POs for various building materials were issued without any description or quantity of items. When the materials were delivered, the Receiving and Inspection (R&I) procedure could not be performed, resulting in the payment process being halted for more than 60 days. Discussions were underway between the Procurement Section, R&I Unit and the requisitioning units such as Engineering Section to improve procedures in this area.
- (b) The R&I function was also hampered because the Mission had no dedicated receiving area. This was more prominent for local procurement while R&I for international procurement could be performed, albeit in less than desirable conditions, at the port upon arrival of goods. Due to the unreliable communication environment in the Mission area, there were a few occasions where goods were delivered and unloaded to the various Mission locations and contingent camps without the knowledge of the R&I Unit. Establishing a dedicated receiving area in Port Au Prince would help avoid such situations.
- (c) Three invoices for construction materials totaling \$20,466 had not been paid for 90 days because the amount exceeded the purchase order limit. The requisitioning unit, Engineering Section in this case, should have raised additional requisitions instead of using MOD and

direct disbursements. The Administration was using blanket and open-ended purchase orders for certain low value commodities required on an ongoing basis.

- (d) The Administration was in the process of establishing a centralized invoice tracking database within the Procurement Section. The database would log each invoice received and point out bottlenecks in the payment process. OIOS however noted that recurring obligations such as monthly rental payments and some utility expenses were not included in the invoice tracking database. Some of the recurring payments had not been made on time until vendors complained. It is necessary that the Procurement Section, in coordination with the Finance Section, maintains a list of recurring obligations along with the invoice tracking database in order that a complete payment schedule is kept at a single location.
- (e) Well coordinated efforts by multiple units and knowledge of interfaced procedures are required for the payments to be processed in a timely manner. The Administration agreed with OIOS that focal points for payments would submit weekly "exception report" to the Chief, Administrative Services who would provide directives to address the identified bottlenecks in the payment process.
- (f) In the regions where the local economy operates almost exclusively on cash basis, vendors did not accept the UN standard payment term of 30 days and demanded cash payment upon delivery or in advance. As a result, some operations in the region, especially small size engineering works, were interrupted or contracts were awarded to a limited number of vendors, with more financial leverage. The Administration plans to enable cash payments upon delivery by having R&I, procurement and finance officers perform their functions on the spot upon delivery, simultaneously although independently from each other. This plan should be implemented on a pilot basis without delay, not only to expedite the payment process but also to assist small size local vendors and to ensure uninterrupted operation in the regions. An adequate limit for these payments should be established.

Recommendations 6 - 12

MINUSTAH Administration should:

- i. Ensure that the requisitions are reasonably itemized in order to enable the Receiving and Inspection Unit to perform receiving inspections (AP2005/683/03/06);
- ii. Establish a designated receiving area for R & I function to be effective (AP2005/683/03/07);
- iii. Ensure that internal controls are strengthened to prevent exceeding the limits indicated in the purchase orders (AP2005/683/03/08);

- iv. Ensure that the use of blanket, open-ended purchase orders is limited to low value procurement, wherever justified (AP2005/683/03/09);
- v. Require the Procurement Section, in coordination with the Finance Section, to maintain a complete payment schedule including a list of recurring obligations (AP2005/683/03/10);
- vi. Ensure that weekly exception reports are extracted from the invoice tracking database and submitted to the Chief, Administrative Services to identify and address the bottlenecks in the payment process (AP2005/683/03/11); and
- vii. Implement on a pilot basis a reliable cash payment procedure in the regions by having purchasing, receiving and inspection, and payment functions performed simultaneously but independently of each other (AP2005/683/03/12).

31. *MINUSTAH Administration accepted recommendation 6 and stated that all the items should be detailed in the requisition to facilitate Receiving and Inspection (R&I), especially pointing out the bulk of the construction materials that are purchased by means of a regular purchase order and all other one time purchases. The usual practice for the undertaking of R&I relating to blanket purchase orders (BPOs) is to match the purchased item with the Work Orders released by the requisitioners. This ensures that what is ordered is what is received by the Mission. However it will be unreasonable for some BPOs, which are low value procurement transactions, to list all the items that could be obtained from this arrangement. Such is the case for low value hardware materials for construction projects. Also, to account for IOR low value materials that may be needed for an operation, BPOs are established with generic descriptions of materials to be purchased on an "as required" basis. Otherwise, this is not only cost ineffective but operationally incompatible, particularly for works that are undertaken in the remote sites of the Mission. Thus in accepting the general thrust of the recommendation, the Mission also considers the generic description of items contained in BPOs as "reasonably itemized" for the purposed of receiving and inspection. Recommendation 6 remains open pending receipt from MINUSTAH of a sample of actual requisitions for construction materials that are reasonably itemized in order to enable the Receiving and Inspection Unit to perform receiving inspections.*

32. *MINUSTAH Administration stated that the Mission has fully complied with recommendation 7 by recently establishing R&I facilities in the mission's Logistics Base. Based on the Mission's response, OIOS has closed recommendation 7.*

33. *With regard to recommendation 8, MINUSTAH Administration stated that the new control measures implemented with respect to the processing of invoices (in terms of response to recommendation 2) will assist in correcting this deficiency. Moreover, the Engineering Section has since established strict control measures to monitor expenditures carried out against approved purchase orders, including the establishment of a centralized Material Management Unit responsible for tracking all requests placed against POs. In addition, each Engineering Regional Office has now a dedicated Asset/Material Assistant to ensure that procedures are followed and POs are not exceeded. Based on the Mission's response, OIOS has closed recommendation 8.*

34. *MINUSTAH Administration accepted recommendation 9 and stated that the Mission has already established several low value BPOs which resulted in substantial reduction in the use of Direct Purchases and petty-cash purchases. MINUSTAH would continue to identify additional commodity areas and will establish BPOs as required. In this respect, BPOs will be used for repetitive orders of relatively small value when non-stock items and services are required, when time is paramount, and where prices conform to a set pattern of trade. However, the Administration informed that there are some open-ended purchase orders for large value procurement. In such cases, the transaction is covered by a written contract and the open-ended purchase order is an internal document for obligation purposes only.* Based on the Mission's response, OIOS has closed recommendation 9.

35. *MINUSTAH Administration accepted recommendation 10 but stated that whereas recurring obligations can be scheduled, some other payment schedules may occur on issues outside the Mission's control, for example when incorrect invoices are submitted.* Recommendation 10 remains pending receipt of a copy of payment schedule including a list of recurring obligations.

36. *MINUSTAH Administration accepted recommendation 11 and stated that the tracking system currently used by the Procurement Section would be enhanced for access by all offices involved in payment processing, namely R&I, Finance Section, requisitioners and certifying officers. Any delays in the payment process will be monitored periodically.* Recommendation 11 remains open pending receipt of a copy of the communication to offices involved in payment processing allowing them access to the tracking system.

37. *MINUSTAH Administration accepted recommendation 12 stating that this recommendation showed difficulties in conducting procurement in the cash based economies of the region.* Recommendation 12 remains open pending receipt of the results of the pilot initiative.

VI. ACKNOWLEDGEMENT

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

Copy to: Mr. Jean-Marie Guéhenno, Under-Secretary-General for Peacekeeping Operations
Mr. Philip Cooper, Acting Director, ASD/DPKO
Mr. W. Scholl, Chief Administrative Officer, MINUSTAH
UN Board of Auditors
Programme Officer, OIOS
Mr. Roland Bill, Chief Resident Auditor, MINUSTAH

UNITED NATIONS



OIOS Client Satisfaction Survey

Audit of: Disbursements of operational costs in MINUSTAH

(AP2005/683/03)

	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:
 Ms. Patricia Azarias, Director, Internal Audit Division-1, OIOS
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