


INTERNAL AUDIT DIVISION I
OFFICE OF INTERNAL OVERSIGHT SERVICES

TO: Ms. Laura Londén
A: Officer-in-Charge, Administration
UNAMSIL

DATE: 23 March 2006

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

REFERENCE: AUD-7-5:73 (0075/06)

SUBJECT: **OIOS Audit No. AP2006/622/05: Telephone billing and recoveries in UNAMSIL**
OBJET:

1. I am pleased to present herewith our final report on the audit of the above subject, which was conducted during November and December of 2005.
2. We note from your response to the draft report that UNAMSIL has accepted both the recommendations. Based on the response, we are pleased to inform you that we have closed both recommendations.
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.
4. I take this opportunity to thank the management and staff of UNAMSIL for the assistance and cooperation provided to the auditors in connection with this assignment.

I. INTRODUCTION

5. UNAMSIL provides telephone/fax facilities for official use only. The use of these facilities for personal purposes needs to be monitored and the related costs recovered from the concerned personnel. The Mission operates two phone systems – land lines and mobile phones. Recoveries are usually made directly from staff members' mission subsistence allowance (MSA) and in other instances, in cash. The average monthly charge for official communications in 2003-2004 was \$50,000 (about \$600,000 per annum) and in 2004-2005, it was \$35,000 (about \$430,000 per annum).
6. The comments made by the Management of UNAMSIL on the draft audit report have been included in the report as appropriate and are shown in italics.

II. AUDIT OBJECTIVE AND SCOPE

7. The objective of the audit was to determine whether existing internal controls are adequate and effective to ensure the accuracy of telephone charges and recoveries. The audit covered the period January to December 2005 and involved the reviews of pertinent records, as well as discussions with responsible Mission staff.

III. OVERALL ASSESSMENT

8. Internal controls over telephone billings and recoveries need to be strengthened. There is a need for a policy aimed at controlling the cost of official calls and ensuring that they are properly justified.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Accurate amount for personal use of telephones not always recovered

9. The Mission is required to recover from its personnel the cost of all personal telephone calls. The review of phone bills by Mission personnel and identification of personal calls is the first step in the recovery process. OIOS found that these procedures were not always complied with and therefore not effective in ensuring full recovery of the cost of personal phone calls. In most cases, the justification provided was inadequate. Many staff members simply indicated "official" in the space where a justification is required. Although the calls were not fully justified, they were approved by the concerned heads of sections/units and treated as official calls by the Communications and Information Technology Section (CITS). In OIOS' view, any call that is not properly justified should be treated by the CITS as a personal call.

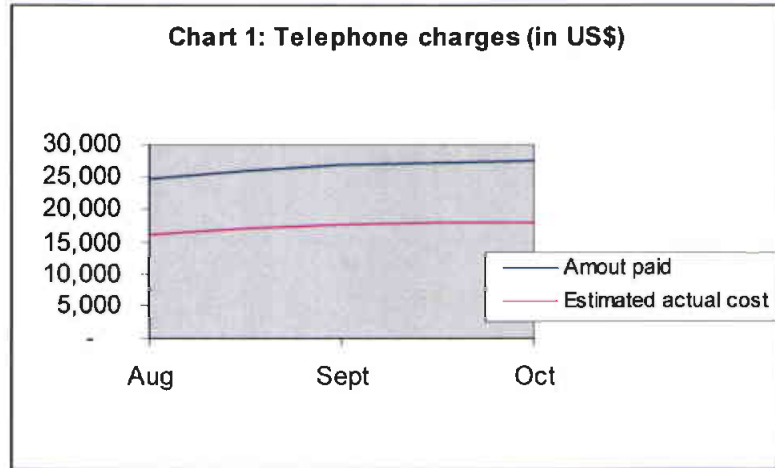
Recommendation 1

UNAMSIL Administration should issue an administrative circular informing staff that all calls that are not fully justified will be treated as personal calls and instructing CITS to recover the cost of such calls (AP2006/622/05/01).

10. *UNAMSIL accepted recommendation 1 and provided documentation to show that it has been implemented.* Based on the action taken by the Mission, recommendation 1 has been closed.

B. Controls over official telephone costs need improvement

11. OIOS sought to confirm whether phone calls identified as “official” were indeed made for official purposes. We dialled a sample of telephone numbers obtained from the bills relating to the period August and October 2005. In our conversation with each respondent, we sought to determine whether the dialled number could be associated with United Nations’ vendors, agencies, staff, a Government of Sierra Leone agency and official, or an entity working with the United Nations. Although calls to other United Nations’ employees and some entities defined above might not necessarily be “official”, the list is all inclusive for simplicity. We received responses to 75 per cent of the dialled numbers. Thirty-five per cent of the responses could be clearly considered as official, another 35 per cent could not be associated with official duty, and 30 per cent could neither be classified as official nor unofficial because the respondents declined to clearly identify themselves. Chart 1 shows that UNAMSIL could have recovered up to an additional \$9,000 per month assuming that that 35 per cent of the official calls were indeed personal calls.



12. Upon further analysis, it was found that more than 77 per cent of the numbers that could not be associated with official duties and more than 55 per cent of the numbers where the respondents declined to clearly identify themselves to the audit team were local cell phone numbers. It appeared that staff members used cell phones mainly to communicate with one another even though there is an internal phone system that can be used free of charge during working hours. It also appeared that the land line is mainly used by staff to contact families and friends. Therefore, in OIOS’ view, there is a need for improved controls over the reporting of official calls.

13. UNAMSIL and the follow-on mission UNIOSIL should consider conducting a study to identify the real need for the official use of cell phones, estimate the cost of such calls, and establish the maximum amount that can be claimed per period per staff member. We recognize that some staff members, due to their work requirements, might have more pressing needs for official calls. Therefore, the maximum amount should depend on the job requirement of the staff member. In cases where cell phones are issued to a staff only for security reason, the maximum amount should be based on the history of actual emergency calls received by the Security Section. Overall, we believe that the mission can achieve a significant reduction in official phone charges by implementing improved controls.

Recommendation 2

UNAMSIL and/or its follow-on mission UNIOSIL should conduct a study aimed at reducing official telephone charges (AP2006/622/05/02).

14. *UNAMSIL accepted recommendation 2 and provided documentation showing that it has been implemented.* Based on the action taken by the Mission, recommendation 2 has been closed.

Copy to: Mr. Jean-Marie Guéhenno, Under-Secretary-General for Peacekeeping Operations
Mr. Philip Cooper, Acting Director, ASD/DPKO
UN Board of Auditors
Programme Officer, OIOS
Mr. Bolton Tarleh Nyema, Chief Resident Auditor, UNAMSIL

UNITED NATIONS



OIOS Client Satisfaction Survey

Audit of: Telephone billing and recoveries in UNAMSIL

(AP2006/626/05)

	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:
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 By fax : (212) 963-3388
 By E-mail: iad1support@un.org*