



United Nations  
Educational, Scientific and  
Cultural Organization

Organisation  
des Nations Unies  
pour l'éducation,  
la science et la culture

Organización  
de las Naciones Unidas  
para la Educación,  
la Ciencia y la Cultura

Организация  
Объединенных Наций по  
вопросам образования,  
науки и культуры

منظمة الأمم المتحدة  
للتربية والعلم والثقافة

联合国教育、  
科学及文化组织

**Internal Oversight Service  
Audit Section**

**IOS/AUD/2009/06**

**Original: English**

**Audit of the Transport Service  
of UNESCO Headquarters**

*April 2009*

**AUDITORS:**

Alain Garba  
Omar Loukili  
Slavka Bellus

## EXECUTIVE SUMMARY

### ***Key Results of the Audit***

The audit of transport services concluded that the shipments of household effects for staff were generally supported by adequate documentation and conformed to established entitlements. However, it would benefit the operations if clear terms of reference, benchmarks, and operating procedures for the Transport Service could be developed. In light of the UNESCO staff rotation policy, which is expected to increase the volume of moves within the Organization, UNESCO should also re-evaluate the introduction of the lump-sum option, and examine the most cost-effective way to operate the service (in-house or external).

### ***Background, Scope and Objective***

The transportation services for the removal of staff household effects are provided by the Property Management and Transport Service Unit (ADM/PRO/PTS) of UNESCO's Procurement Division (ADM/PRO).

The UNESCO Property Management and Transport Service (ADM/PRO/PTS) was established in 2004 to (1) oversee the management of non-expendable property and (2) provide transport services, including the removal of staff household effects, customs clearance and expeditions. The unit also implements special projects for the Procurement Division and, from 2006 until this year, managed certain warehouse activities.

The Transport Service is comprised of two staff (G-5 and G-6) reporting to the Chief of Section ADM/PRO (P-5). From September 2006 to September 2008, removal services were provided by 60 companies at a total cost of US\$1.1 million.

Internal Oversight Service (IOS) audited the Transport Service to determine whether it is providing efficient and effective transport services in accordance with UNESCO procedures and practices.

The audit covered the period from September 2006 through September 2008 and included a review of organization of the Unit as well as the adequacy of the related processes. Methodology included testing of a judgmental sample of the records to verify the existence and adequacy of controls. Exceptions noted in the sample were further assessed to consider if they were isolated errors or indicative of control shortcomings. The auditors also discussed the quality of removal services with a sample of recent users.

### ***Achievements***

- Transport Service personnel conducted the shipments in line with guidelines. All moves that were reviewed were generally supported by necessary documentation.
- During the period under review UNESCO used over 60 different suppliers for removal services with no single company obtaining more than ten percent of contracts, indicating the use of a competitive procurement approach.

### ***Challenges and Opportunities***

ADM/PRO is currently considering two options regarding the Transport Service and its functions. The first involves keeping the Unit within ADM/PRO and re-engineering its operations and processes. The second, which is preferred by ADM/PRO, would be to dismantle the unit and transfer its functions and resources to other sections of UNESCO. These options are set forth in

Annex A. IOS notes that the efficiency of the Transport Service would not necessarily be improved as a result of a transfer of its functions but the Organization could consider a re-engineering of this function. The following steps could be taken:

- Establish terms of reference, operating procedures and expected results for transport services. This should include performance standards to better manage the quality of services.
- Perform a cost analysis of the lump-sum option compared with the current method of paying actual cost based on current data.
- Determine the most cost effective way to operate the service, including opportunities to streamline work processes with the introduction of a lump-sum option phased in with anticipated staff retirement within the Transport Services and the possibility of long-term contracting or outsourcing of services.

**Table of Recommendations**

<b>1</b>	We recommend that ADM/PRO develop a clear description of the role, objectives and operational procedures of the Transport Service, including an evaluation of the most cost effective way to operate the service as well as appropriate RBM elements of results and performance indicators.
<b>2</b>	We recommend that ADM/PRO establish (1) a spreadsheet to include all relevant information on worldwide removals such as authorisation numbers, types of removals, destination and suppliers, (2) a roster of transport companies and their performance history and (3) procedures for entering specific narrative information into FABS.
<b>3</b>	We recommend that ADM/PRO, in coordination with HRM, perform an updated cost analysis of the lump-sum option for payment of removal of staff household effects. The analysis should take into consideration the cost benefit of any planned staff retirement in the Transport Service and other administrative savings resulting from the lump-sum option. ADM/PRO should also assess the cost benefit of long-term contracting and potential outsourcing of services. Results of these analyses should lead to a streamlining of UNESCO's Transport Services.