



INTERNAL AUDIT DIVISION

REPORT 2022/079

Audit of rations management in the United Nations Multidimensional Integrated Stabilization Mission in Mali

The Mission needed to strengthen contingents' capabilities in rations management, develop a contingency plan to maintain the required levels of strategic and operational reserves, conduct regular food safety and hygienic inspections, and timely recover the cost of food supplied to national support elements

**20 December 2022
Assignment No. AP2022-641-03**

Audit of rations management in the United Nations Multidimensional Integrated Stabilization Mission in Mali

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of rations management in the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA). The objective of the audit was to assess the effectiveness and efficiency of rations management in MINUSMA. The audit covered the period from 1 July 2020 to 30 June 2022 and included the major aspects of rations management, such as the requisitioning and delivery of rations, warehousing, quality control, operational and United Nations reserve stock management, invoice processing and performance monitoring of the contractor.

MINUSMA issued bulk orders and final food orders to contractors within the contractual timeframe, put into effect appropriate procedures over goods imported duty-free, implemented adequate quality control measures, and ensured that rations invoices were processed in a timely manner. However, MINUSMA still needed to strengthen contingents' capabilities in rations management, develop a contingency plan to maintain the required levels of strategic and operational reserves, conduct regular food safety and hygienic inspections at all locations, and timely recover the cost of food supplied to national support elements.

OIOS made seven recommendations. To address issues identified in the audit, MINUSMA needed to:

- Expedite the finalization of the standard operating procedures for the rations management to guide contingents on the food ordering process and the reporting of troop strength and stock balances.
- Ensure contingents deploy qualified logistics/food officers and strengthen the regular training programme to build their capacity on the electronic rations management system to enable them to perform their function effectively.
- Consistently follow up and obtain amended memoranda of understanding or notes verbales from the Permanent Missions of the contingents to reflect changes in authorized contingent strength and national support elements.
- Ensure contingents submit food requests for their national support elements on a cost reimbursement basis or provide evidence that additional food was procured from other sources to feed their national support elements.
- Develop a plan to draw on existing resources, including deployment of military staff officers in the Rations Unit to effectively implement rations operations and ensure required food safety and food hygiene standards are met.
- Assess the Mission's logistical challenges and develop contingency plans to ensure operational and strategic stock levels are at acceptable levels.
- Follow up with the Department of Operational Support to recover outstanding costs of food supplied to national support elements of troop and police-contributing countries.

MINUSMA accepted all recommendations and has initiated actions to implement them. Actions required to close the recommendations are indicated in Annex I.

CONTENTS

I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	1-2
III. AUDIT RESULTS	2-10
A. Requisitioning and delivery of rations	2-7
B. Warehousing, quality control and reserve stock management	7-9
C. Invoice processing	9-10
D. Contractor's performance monitoring	10
IV. ACKNOWLEDGEMENT	10
ANNEX I	Status of audit recommendations
APPENDIX I	Management response

Audit of rations management in the United Nations Multidimensional Integrated Stabilization Mission in Mali

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of rations management in the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA).
2. The General Assembly resolution (A/RES/65/289) adopted on 30 June 2011 requires missions to manage rations effectively and monitor and evaluate the quality management systems of rations contractors to ensure that food quality and hygienic conditions are within established standards. Effective management of rations entails ensuring that United Nations peacekeepers receive sufficient rations of the right quality of three meals per day, including planning, organizing, and controlling the operations from the initial requisition to the final payment to suppliers, and accurate and reliable record-keeping and filing.
3. MINUSMA provided food rations (fresh, frozen, chilled, dried, and canned food items), combat ration packs (CRPs) and bottled water to sustain an average of 15,458 personnel composed of 12,707 military and formed police unit personnel (contingents) and 2,751 national support elements (NSEs). MINUSMA acquires rations through a turnkey service contract established on 4 November 2019 for three years with a not-to-exceed (NTE) amount of \$118.3 million and a contract for the supply of CRPs established on 28 June 2017 with an NTE amount of \$84 million.
4. The Mission uses the electronic Rations Management System (e-RMS), a web-based application for rations management, to develop recipes, menu plans and food orders; update final feeding strengths; account and report for rations received; evaluate contractor's performance; and create invoices.
5. The Rations Unit manages rations and CRP contracts, including monitoring the rations contractor's performance. The Unit is headed by a Chief at the P-3 level and reports through the Chief, Life Support Section to the Chief, Service Delivery Management. The Unit had 13 approved posts of seven international and six national staff. In addition, the Unit recruited four individual international contractors as quality assurance and logistics assistants.
6. MINUSMA budgets for rations (including CRPs) for 2020/21 and 2021/22 were \$50.6 million and \$43.6 million, respectively. As of 30 June 2022, the rations contractor had a warehouse in Bamako and Gao. During the audit period, the Rations Unit supplied food rations to 94 delivery points (83 military and 11 formed police units). During these two budget years, MINUSMA placed 5,504 food orders to the contractor to supply 21,679 metric tons of food rations to contingents from 26 troop and police-contributing countries.
7. Comments provided by MINUSMA are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess the effectiveness and efficiency of rations management in MINUSMA.
9. This audit was included in the 2022 risk-based work plan of OIOS due to the operational and financial risks related to providing rations to contingents in MINUSMA.

10. OIOS conducted this audit from June 2022 to October 2022. The audit covered the period from 1 July 2020 to 30 June 2022. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in rations management, including: (i) the requisitioning and delivery of rations; (ii) warehousing, quality control, operational and United Nations reserve stock management; (iii) invoice processing; and (iv) contractor's performance monitoring.

11. The audit methodology included: (a) interviews with key personnel; (b) a review of relevant documentation; (c) an analytical review of rations ordered and delivered and quality control inspections conducted; (d) substantive testing of judgmentally selected samples of 300 out of 5,504 rations delivered to contingents and 93 out of 5,504 invoices processed; and (d) physical inspections of two contractor's warehouses in Bamako and Gao and 31 contingents' kitchen and food storage facilities in Bamako, Gao, Kidal, Tessalit, Mopti and Timbuktu.

12. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. A. Requisitioning and delivery of rations

MINUSMA needed to strengthen the contingents' capabilities in the management of food orders

13. An analysis of the 5,504 food deliveries made to the contingents from 1 July 2020 to 30 June 2022 indicated that food provisioning was within the United Nations rations scale maximum of 4,500 calories per person, and the prescribed ceiling person-day rate of €4.34 for Bamako, €5.04 for Gao, €5.89 for Kidal and €5.89 for Timbuktu. The bulk and final food orders prepared by the Rations Unit were based on the recipes and menu plans. They ensured adequate food provisioning considering the diverse food cultures and preferences. In addition, the Rations Unit generated bulk food orders within the contractual timeline of 74 days and the final food orders within the 28 calendar days prior to the commencement of each 28-day meal period¹.

14. However, OIOS sample testing of 300 of the 5,504 food deliveries to the contingent indicated that the contingents did not always follow the established procedures to ensure that they ordered the required quantity of the foods, as detailed below.

Contingents did not consistently submit their menu plans and food orders in a timely manner

15. Despite the e-RMS notifications to remind the contingents and email correspondences from the Rations Unit, the contingents did not consistently submit their food request in the system 85 days prior to the consumption period as follows:

- In 97 instances, contingents did not submit their food order in e-RMS and the system automatically copied the previous period menu plan and food order;
- In 29 cases, the contingents submitted their initial food order in e-RMS one day before the Bulk Food Order (BFO) submission date; and

¹ Food request is a consolidated planned contingent food requirement for a 28-day period on the contingents approved four weekly menu plans and projected deployed troop strength.

- One contingent did not take action to create the menu plan for three consecutive periods and instead submitted the list of food items the contingent needed and made the order without a menu plan.

16. This has increased the risk of delivering food that did not meet the expectations of the contingents. For example, an OIOS physical inspection of contingents' storage facilities in Kidal and Timbuktu showed that two contingents had stored food items which were continuously ordered by e-RMS but were not preferred by the contingent personnel. In one of those two cases, the contingent improperly stored cheese, which was not consumed, and resulting in the disposal of the items at the time of the audit. Had the contingents made their food orders based on their requirements, they could have prevented the e-RMS from copying their previous menu plan and removed the unwanted items from the order to avoid the wastage of resources.

Contingents did not correctly and regularly submit troop strength confirmation reports within the required timeline

17. A review of the 26-period final troop strength reports showed that the Rations Unit reconciled the troop strength confirmation reports obtained from the contingents with the Mission Consolidated Strength Report (for troops and formed police units) submitted by MINUSMA Force and Police. The Unit made appropriate adjustments where applicable.

18. However, the review also showed that, on average, 57 of the 95 contingents (i.e., 60 per cent) did not confirm their troop strength 35 calendar days in advance of the intended consumption period. In seven periods, 66 and two periods, 88 contingents did not confirm their troop strength. The Rations Unit stated they used the previous period's strength report if the contingents did not confirm the latest strength. Thus, the Unit avoided delaying the final order submission to the contractor. This impacted the last food orders as the contingents might receive higher or lower rations than the contingents needed despite the possibility of adjustment in future orders. For example, in period 13 of 2021/22, a contingent reported the troop strength as 806, and upon receiving the Mission Consolidated Strength report, the Rations Unit noted that the correct number was 795. This resulted in 318² person-days extra food provided to the contingent. The Rations Unit subsequently exchanged several emails with the contingent and determined the period for which the adjustment could be made in the contingent's future orders.

Contingents did not submit the end-of-period stock balance report

19. A review of the 26-period contingents' end-of-period stock balance reports indicated that the responses by the contingents were low. On average, 12 of the 80 contingents submitted the report in one food consumption period. As a result, the Rations Unit was precluded from adjusting the final food order by reviewing the food items in the contingents' storage. For example, in a physical inspection in Timbuktu, OIOS observed that there were excessive amounts of three food items in two contingents' storage facilities that were not consumed by the contingents.

20. The above occurred because the Standard Operating Procedures (SOPs) for the Management of Food Rations and Emergency Reserves which guides the food requisitioning process, including key deadlines and responsibilities of contingents, were not finalized.

21. Despite the efforts by the Mission, the training was inadequate as some contingents' food/ logistics officers still needed the skills to change their recipes, menu plans and food orders. During the audit period, representatives from 29 of the 80 contingents (i.e., 37 per cent) attended training on e-RMS food ordering

² Extra food provided to the contingent is calculated as: excess troops (806-795.4 = 10.6) multiplied by 30 days which equals to 318 person days

management, while representatives from 60 contingents (i.e., 77 per cent) attended e-RMS scanner training. The Rations Unit had advised that whenever contingents had a rotation, they were invited to send their officers for initial briefing and hands-on training. However, the response rate was low, and contingents did not send qualified officers who could attend the training and effectively utilize the system as required. They also did not maintain proper kitchen hygiene and storage of stock as outlined in this report. In addition, during the audit period, COVID-19 made it impossible to interact closely with the participants.

22. Inadequate capabilities of contingents to utilize the electronic rations management system, combined with the lack of timely and accurate reporting of troop strength and inventory balance, impacted the overall effectiveness and efficiency of rations management.

(1) MINUSMA should expedite the finalization of the standard operating procedures for the rations management and disseminate them to all contingents through the Mission Force and Police Headquarters to effectively implement the food ordering process and report troops' strength and end-of-period stock balances.

MINUSMA accepted recommendation 1 and stated that the standard operating procedures for the rations management has been developed and was under review by different stakeholders in the Mission.

(2) MINUSMA should: (a) ensure contingents deploy qualified logistics/food officers; and (b) strengthen the regular training programme to build the capacity of the contingents' logistics/food officers on the electronic rations management system to enable them to perform their functions effectively.

MINUSMA accepted recommendation 2 and stated that the Mission would develop a quarterly training programme and arrange training for newly arrived contingents. In addition, the standard operating procedures for rations management will be shared with the Force and Police Headquarters for implementation so that Force and Police would enforce the participation of qualified persons attending the rations training. This would further ensure that trained officers implement the SOP to perform their functions effectively.

There was a need to update the electronic rations management system to reflect the correct authorized strength

23. The bulk food order was submitted to the contractor by the Rations Unit based on the authorized strength of the contingents. The authorized strength was based on the number reflected in the Memorandum of Understanding (MoU) with the contingents.

24. OIOS review of the authorized strength of 80 contingents recorded in the e-RMS as of 30 June 2022 and reconciliation with the Mission Consolidated Strength Report and the Daily Military Strength Report prepared by MINUSMA Force indicated the following:

- In eight instances, the authorized strength in the e-RMS was not updated as reflected in the Consolidated Strength Report. This was because the Contingent Owned Equipment Unit did not provide the Rations Unit with the updated MoU with the concerned contingents.

- The national support elements (NSEs)³ in one contingent final food order in period 13 on 22 May 2022 showed that the feeding strength was 3,000, while the e-RMS indicated it as 2,600, and the daily military strength report was 473. The discrepancies among the three sources were not reconciled, although the Mission consistently provided food rations as per the food request submitted by the contingents. The contingent's food request for its NSEs was continuously increasing despite the absence of an amended MoU.
- In addition, six other contingents had a total of 144 NSEs, but they did not make food orders for them. These additional NSEs were sharing food with other personnel reducing the established calorific value, or there was no evidence that additional food was procured to feed them.

25. The above occurred as MINUSMA Contingent Owned Equipment Unit did not consistently provide amended memoranda of understanding to the Rations Unit to update the authorized strength in the e-RMS. Moreover, the Mission did not obtain an amendment to the MoU or an updated note verbale from a specific Permanent Mission of the contingent to reflect the correct feeding strength of the NSEs so that e-RMS could be updated. The constantly increasing number of NSEs exacerbated the logistical challenges to the Mission.

(3) MINUSMA should consistently follow up and obtain amended memoranda of understanding or notes verbales from the Permanent Missions of the contingents to reflect changes in authorized contingent strength, including the national support elements.

MINUSMA accepted recommendation 3 and stated that the Contingent Owned Equipment Unit would follow up and provide the memoranda of understanding and/or amendment to the memoranda to the Rations Unit for updating the feeding strength of contingents, including the national support elements.

(4) MINUSMA should ensure contingents submit food requests for their national support elements on a cost reimbursement basis or provide evidence that additional food was procured from other sources to feed their national support elements so that the established calorific value for the contingents is not compromised.

MINUSMA accepted recommendation 4 and stated that the Contingent Owned Equipment Unit, Force and Police Headquarters would advise the contingents with national support elements to submit their food request to the Life Support Section/Rations Unit or provide evidence of procuring food for their national support element from other sources. Contingent and national support elements strength reports by the units will be cross-checked by the Contingent Owned Equipment Unit.

There was a need for new food-grade warehouses in Sector North and Sector West to improve the quality and timely delivery of food rations

26. Under the terms of the rations contract, contingents are provided rations either on a weekly or bi-weekly basis by direct road delivery or on a self-collect basis from the contractor's warehouse facility. The contractor is responsible for completing all deliveries and self-collections prior to the intended consumption period in accordance with the agreed delivery schedule.

27. A review of the Rations Unit performance reports for the 26-period during the audit period indicated that the contractor delayed, on average, 17 days the delivery of 1,204 orders representing 22 per

³ In accordance with the Memorandum of Understanding between the United Nations and the Troop Contributing Countries on the provision of personnel, equipment and services that defines the responsibilities of both parties, the Government may provide additional personnel as a national command element or national support element at its own expense.

cent of 5,504 orders. When there were no valid reasons for delays, the Mission imposed penalties by applying the acceptable performance levels and recovered a total of \$562,948 during the audit period. Although the Mission adequately monitored the performance of the contractor, recurrent delays in the delivery of food orders affected the contingents' capabilities.

28. OIOS interviewed contingent commanders, Food and Logistics officers of the physically inspected locations and noted that the lack of fresh fruits and vegetables (FFVs) was a concern for all contingents. When contingents received the shipment, due to the long road trip, the FFVs were already spoiled or shortly after, they were spoiled in the contingent storage. Among 33 delivery points, late deliveries mainly affected those in remote locations such as Dounteza, Kidal, Menaka, Tessalit, Aguelhoc, Timbuktu, Ansongo and Sevare where, on average, 30 per cent of their deliveries were impacted. An analysis of the food delivery mechanism showed that late deliveries occurred due to the issues explained below.

There was a need for new food-grade warehouses in Timbuktu and Kidal

29. Timbuktu and Kidal did not establish food-grade warehouse facilities, and these locations had distribution points where contingents collected the rations bi-weekly. This delayed the food delivery process. To effectively support 2,390 troops in Sector West (Timbuktu, Goundam, Ber) and 2,824 troops in Sector North (Kidal, Tessalit, Aguelhoc), the Mission had proposed to establish two food-grade warehouse facilities in Timbuktu and Kidal. After consultations with the United Nations Headquarters, it was agreed that MINUSMA would immediately rebid the current contract with the current distribution points as a stop-gap measure until the solicitation process can be completed. At the time of the audit, the solicitation process was ongoing.

The security situation and reduced security escorts by the Mission impacted the timely delivery of rations

30. The contractor had logistical difficulties delivering the food orders to the delivery points on time due to the security situation in Mali. Because of the contractor's inability to arrange security escorts, the Rations Unit consistently faced challenges related to the infrequency and the limited number of allocated slots provided on MINUSMA security escorts. The reduced security escorts by the Mission were to save lives as the roads were perilous. Security escorts were provided only once a month and sometimes every 5-6 weeks during contingent rotation periods. Except for Bamako to Mopti, the food rations contractor could not move throughout the area of operation without a security escort. Under contracted terms, the contractor is required to deliver by the most economical means. The contractor had utilized Malian Government defense forces in the past. However, this was not always possible and inbound rations trucks were forced to wait 10-14 days at the border for a security escort. MINUSMA escort capacity was also affected by a troop-contributing country's decision to withdraw a contingent providing combat convoy operations at the Mission's area of operations.

31. The Mission developed a contingency plan to supply food and fuel to the affected contingents to alleviate the above challenges. The plan identified the main challenges in its supply chain operations, the impact of the issue and recommended actions. For example, the recommended actions included deploying two new operationally capable combat convoy companies, increasing storage capacities in key locations, and generating military cargo transport aircraft. In addition, the Mission had also opted where feasible to airlift rations. This resulted in an additional cost of \$4.1 million, of which \$540,019 was recovered from the contractor. Also, the contractor maintained stocks at all locations in temporary facilities to cover contingent requirements until the next scheduled security escort arrived. Based on the actions taken by the Mission, OIOS did not make a recommendation.

MINUSMA ensured that imported food rations were used only for its operations

32. The Status of Forces Agreement between the United Nations and the Government of Mali exempts all goods imported for the official use of MINUSMA from direct taxes and charges of similar nature.

33. A review of 245 of the 951 customs clearance requests by MINUSMA indicated that MINUSMA received all contractors' incoming rations shipments documents, such as bills of lading, commercial invoices, packing lists, certificates of origin, health certificates, and loading reports prior to issuing endorsements on the exemption from custom duties and taxes to the host government to confirm that consignments contain food in sole support of MINUSMA. The Rations Unit also conducted inspections at the contractor's warehouses to verify that the goods arriving matched those on the shipping documents. In addition, the Rations Unit obtained inventory reports from the contractor and reconciled them with those rations delivered to the contingents and the rations stocks at the contractor's warehouses. Therefore, OIOS concluded that the Mission implemented appropriate procedures and controls to ensure duty-free privileges were used for its sole purpose.

B. Warehousing, quality control and reserve stock management

Need to strengthen quarterly management advisory inspections at contingents' facilities

34. A review of the Rations Unit's inspection records during the audit period indicated that the Rations Unit conducted only 27 of 400 required quarterly management advisory inspections of the 80 contingent locations. This precluded the Mission from providing advice and support to the contingents to ensure food safety, quality assurance, adequate hygiene standards and stock management. OIOS physical inspection of 31 of the 80 contingents' kitchen and storage facilities located in Gao, Kidal, Tessalit, Mopti, Timbuktu and Bamako identified the following kitchen facilities, hygiene, and stock management weaknesses:

- In nine instances, the kitchen facilities were not in good and clean condition. One contingent's kitchen drainage system was not covered and clean, and the kitchen was affected by flood.
- In four instances, contingent cooks and food handlers did not wear suitable protective clothing. Another contingent did not have designated cooks, and the contingent staff cooked food by rotation. This contingent was divided into small groups with more than 15 small kitchens. OIOS visited five of them and noted that the kitchens were not properly set up as they were congested and small.
- In nine instances, the dry-food containers did not have air conditioning. As a result, when the outside temperature reached above 40 degrees centigrade, the containers got hot and exceeded the required maximum of 28-30 degrees, which could spoil the stored food items. For example, improper storage was observed in two instances where cheese and yoghurt were kept in a container without air conditioning, even though they were supposed to be kept at approximately 5 degrees centigrade. In addition, the freezer in one contingent's food containers did not maintain the required 18 degrees centigrade; instead, it was 10.6 and 13 degrees centigrade and not freezing the food.

35. The Mission stated that inadequate management advisory inspections by the Rations Unit were due to COVID-19 movement restrictions and insufficient staff to conduct inspections in Kidal and other remote locations. For example, the Mission did not have a Rations Unit staff in Sector North (Kidal, Tessalit, Aguelhoc), where 2,824 contingent personnel were located. However, OIOS is of the view that the Rations Unit did not prioritize the contingents to be inspected based on assessed risk level and available resources, including drawing on military staff officers. As a result, there were unmitigated risks to the well-being of

persons and wastage of resources as issues related to rations management were not detected in, and timely addressed.

(5) MINUSMA should develop a plan to draw on existing resources, including the deployment of military staff officers in the Rations Unit, to effectively implement rations operations and ensure required food safety and hygiene standards are met.

MINUSMA accepted recommendation 5 and stated that the Life Support Section would submit a formal request to the Force Headquarters to assign qualified Military Staff Officers to the Rations Unit to coordinate the rations operations as per the standard operating procedures.

Need to develop contingency plans to maintain the Mission’s strategic and operational reserves at an acceptable level

36. The contractor was required to maintain operational reserves (i.e., a minimum of 95 per cent of food rations sufficient for 28 days) and strategic reserves (100 per cent of food rations sufficient for 28 days) to ensure uninterrupted provision of food rations.

37. A review of 26 operational and strategic reserves compliance reports showed that the Rations Unit monitored the weekly and monthly stock compliance reports submitted by the contractor and ensured that they were within acceptable performance levels. When the operational and strategic reserves were not within the acceptable performance levels, the Rations Unit imposed penalties by applying the acceptable performance level deductions. OIOS, however, noted a recurrent shortage of operational and strategic reserves. During fiscal years 2020/21 and 2021/22, the operational reserves were lower than the required reserve level in 4 of 26 periods, while the strategic reserves were lower than the required reserve level in 13 of 26 periods. Accordingly, penalties totaling \$404,067 were applied and recovered from the contractor when there were no valid reasons for shortfalls in reserves. A further review of the contractor stock holding from 25 July 2022 to 19 September 2022 indicated that both the operational and strategic reserves levels decreased to an average of 69 per cent, below the critical level of 74 per cent.

38. The above was due to supply chain disruption caused by COVID-19 pandemics, government export bans, non-availability of products and increasing logistics costs caused by ongoing conflicts in Europe. In addition, MINUSMA had also recently faced import restrictions by the host country, including shipment being blocked at entry points. To address this challenge, the contractor utilized some strategic reserves to meet the contingents’ operational food requirements. As a result, if the operational and strategic reserves continued to decline, the stock of rations would not be adequate to meet feeding requirements in unexpected circumstances. The Mission advised that it would develop a contingency plan to address the shortfalls in food reserves. The Contractor also agreed to create a supply chain visibility report indicating when the operational and strategic reserves compliance would be achieved.

(6) MINUSMA, in coordination with the contractor, should assess the logistical challenges and develop contingency plans to ensure operational and strategic stock levels are at acceptable levels.

MINUSMA accepted recommendation 6 and stated that the Life Support Section had increased the size of the United Nations Strategic Reserve stock level from 28 days of supply to 56 days in the new contract under the solicitation. This would add up to a total of 84 days of supply from the present days of supply and reduce the operational risk.

An adequate quality assurance programme was in place

39. The Rations Unit was required to implement a quality assurance programme to ensure that food rations supplied by the contractor meet the United Nations' safety and quality standards. The Rations Unit implemented an adequate quality assurance surveillance programme, regularly conducted quality control checks and reported on the ration contractor's performance. The Rations Unit assessed that quality measures were in place, including the food safety and control plan, water supply, drainage and waste disposal, cleaning, air quality ventilation, lighting, storage and inventory system, employees'/visitors' hygiene, personnel training, maintenance and sanitation, pest control and shipment inspections.

40. Additionally, the Rations Unit checked and ensured that the contractor had Food Safety Management System certificates issued by an accredited certification body for quality management to receive food and raw materials, store, handle and distribute food services and bakery production. The current certificates were valid until 27 November 2022. At the time of the audit, an accredited certification body assessed the contractor's quality management system from 24 August to 26 September 2022 in Bamako, Kidal, Gao and Timbuktu and recommended the renewal of its accredited certificates. Therefore, OIOS concluded that the Mission had implemented adequate quality control measures.

Damaged or expired food rations were disposed of in accordance with the host country's laws

41. The contractor and the contingents are fully responsible for accounting for all damaged, spoiled, infested, or contaminated food rations and retain them for write-off and subsequent disposal per the local environmental laws and regulations in cooperation with the host country authorities. This would avert health risks and prevent cross-contamination.

42. A review of documentation related to 30 disposals made during the audit period indicated that the disposals weighed 507 metric tons of food items and that the contractor obtained the disposal certificate from the host country representative. The Rations Unit staff witnessed loading trucks with the products for disposal and sealing containers. The contractor went to the disposal site with the government representatives to finalize the disposal process. OIOS concluded that the contractor, monitored by the Rations Unit and the host country representative, implemented the required action to dispose of damaged or expired products per the applicable host country laws.

C. Invoice processing

Invoices were verified and processed as per contractual terms

43. During the audit period, MINUSMA paid a total of \$56.3 million against the invoices submitted by the contractor. A review of 93 of 5,504 invoices paid during the audit period indicated that invoices were properly verified against goods received reports prior to approval, and payments were made based on contractual unit prices for the food items which had been uploaded in the e-RMS. All the invoices were approved by the Mission Designated Official and the Chief of the Rations Unit and had supporting documents such as goods received report, performance reports and the complete lists of the food items delivered. The current contract has no prompt payment discount, but performance credits for any shortfall of rations, delayed deliveries, and warehousing performance shortfalls were applied as presented in this report. OIOS concluded that adequate controls were in place for verifying invoices and ensuring that invoices were processed in accordance with the contractual terms.

Cost recoveries of food rations supplied for national support elements were processed by the Mission, but they were not promptly recovered

44. MINUSMA supplied extra food rations for national support elements (NSEs) or other organizations that were provided with rations on a cost-recovery basis.

45. As of 30 June 2022, MINUSMA had an outstanding unrecovered amount of \$8.6 million for food rations supplied to four contingents and one international organization. A cost recovery from one contingent for food rations supplied to its NSEs accounted for 76 per cent of the outstanding amount. The representative of the concerned contingent informed OIOS that the contingent did not receive any rations invoices since November 2021. However, the Regional Services Centre Entebbe consistently raised invoices to the contingents' respective Permanent Missions as reflected in the MINUSMA Umoja accounting system. MINUSMA advised that it would follow up with offices in the Headquarters to recover the outstanding invoices. Delayed recovery of the outstanding amount may lead to financial loss to the organization.

(7) MINUSMA should follow up with the Department of Operational Support to recover outstanding costs of food supplied to national support elements of troop and police-contributing countries.

MINUSMA accepted recommendation 7 and stated that the Mission would follow up with the Department of Operational Support and the contingent's representative in the Mission to recover all outstanding amounts.

D. Contractor's performance monitoring

MINUSMA regularly monitored contractor's performance

46. The Rations Unit conducted the required monthly meetings. OIOS review of the minutes of the meetings with the contractor indicated that MINUSMA and the contractor met regularly to discuss performance and prepared minutes which included recommendations, action points and the responsible party for implementation. The quorum was met at all the meetings that comprised the contractor's management, the Rations Unit, and the Contracts Management Unit. Also, the performance noted in previous meetings was discussed and resolved as appropriate. At the time of the audit, the Rations Unit was monitoring the implementation of outstanding recommendations, including the contractor's visibility report indicating: (i) when operational and strategic reserves required levels would be achieved; (ii) authorization for the use of local suppliers; (iii) the contractor's contingency measures to minimize the airlift requirements; (iv) the completion of the repair of Gao warehouse flooring; (v) the solar installation plan for Bamako and Gao warehouses; (vi) security escorts issues; and (vii) the use of metal detectors at bakeries. OIOS concluded that MINUSMA effectively managed the contractor's performance in accordance with the contract provisions.

IV. ACKNOWLEDGEMENT

47. OIOS wishes to express its appreciation to the management and staff of MINUSMA for the assistance and cooperation extended to the auditors during this assignment.

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

**Audit of rations management in United Nations Multidimensional Integrated Stabilization Mission in Mali
(Assignment No. AP2022-641-03)**

Rec. no.	Recommendation	Critical ⁴ / Important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
1	MINUSMA should expedite the finalization of the standard operating procedures for the rations management and disseminate them to all contingents through the Mission Force and Police Headquarters to effectively implement the food ordering process and report troops' strength and end-of-period stock balances.	Important	O	Pending receipt of approved standard operating procedures for the rations management and its dissemination to all contingents and stakeholders.	30 June 2023
2	MINUSMA should: (a) ensure contingents deploy qualified logistics/food officers; and (b) strengthen the regular training programme to build the capacity of the contingents' logistics/food officers on the electronic rations management system to enable them to perform their functions effectively.	Important	O	Pending receipt of evidence that contingents deployed qualified logistics/food officers and a regular training programme would be organized to strengthen contingents' capabilities in managing food orders.	30 June 2023
3	MINUSMA should consistently follow up and obtain amended memoranda of understanding or notes verbales from the Permanent Missions of the contingents to reflect changes in authorized contingent strength, including the national support elements.	Important	O	Pending evidence that the authorized strength of contingents and their national support elements are updated in the electronic rations management system.	31 December 2023
4	MINUSMA should ensure contingents submit food requests for their national support elements on a cost reimbursement basis or provide evidence that additional food was procured from other sources to feed their national support elements so that the established calorific value for the contingents is not compromised.	Important	O	Pending receipt of evidence that contingents submit food requests for their national support elements or provide evidence that additional food was procured from other sources.	31 December 2023
5	MINUSMA should develop a plan to draw on existing resources, including the deployment of military staff officers in the Rations Unit, to effectively implement rations operations and ensure required food safety and hygiene standards are met.	Important	O	Pending receipt of evidence that the Mission conducts regular food safety and hygiene inspections at contingent locations to ensure food safety and hygiene standards are met.	31 March 2023

STATUS OF AUDIT RECOMMENDATIONS

Audit of rations management in United Nations Multidimensional Integrated Stabilization Mission in Mali (Assignment No. AP2022-641-03)

6	MINUSMA, in coordination with the contractor, should assess the logistical challenges and develop contingency plans to ensure operational and strategic stock levels are at acceptable levels.	Important	O	Pending receipt of evidence that the United Nations strategic reserve and operational stock levels are at acceptable levels.	31 December 2023
7	MINUSMA should follow up with the Department of Operational Support to recover outstanding costs of food supplied to national support elements of troop and police-contributing countries.	Important	O	Pending receipt of evidence that outstanding costs of food supplied to contingent's national support elements and other organizations are recovered.	30 June 2023

⁴ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

⁵ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

⁶ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁷ Date provided by MINUSMA in response to recommendations.

APPENDIX I

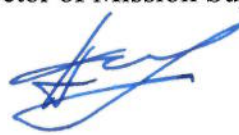



Management Response



FACSIMILE

14 December 2022

Reference: MINUSMA/ODMS/2022/237

TO: Mr. Kemal Karaseki, Acting Chief Peace keeping audit service Internal Audit Division, OIOS	FROM: Anton Antchev Director of Mission Support 
ATTN: Mr. Seydou Sirpe Chief Resident Auditor Bamako	
FAX #:	FAX #: Email: MINUSMA-mars@un.org
TEL #:	TEL #:
SUBJECT: MINUSMA response to draft report on an audit of rations management in the United Nations Multidimensional Integrated Stabilization Mission in Mali (Assignment No. AP2022-641-03).	
Total number of transmitted pages including this page: 4	
<p><i>Reference Peacekeeping Audit Service, OIOS, memorandum of 1 December 2022, OIOS-2022-01807</i></p> <ol style="list-style-type: none">1. In reply to the referenced correspondence, please find attached MINUSMA's management response to the OIOS findings and recommendations, as presented in the subject report.2. Note has been taken of the areas warranting the Mission's attention, and an action plan for implementing the recommendations issued is attached. <p>Best regards.</p>	
Drafted by: Daniela Bozickovic  Administrative Officer Office of the Director of Mission Support	Authorized by:  Audrey Serret,  Senior Administrative Officer Office of the Director of Mission Support

Management Response

Audit of rations management in United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MINUSMA should expedite the finalization of the standard operating procedures for the rations management and disseminate them to all contingents through the Mission Force and Police Headquarters to effectively implement the food ordering process and report troops' strength and end-of-period stock balances.	Important	Yes	Chief Life Support Section	30 June 2023	The draft standard operating procedures has been developed and is currently under review by different stakeholders in the Mission. 31 March is the target date for approval of the SOP. At least three months more will be required for all contingents to understand and start implementing the SOP. The 30 June 2023 is the date "to effectively implement the food ordering process and report troops' strength and end-of-period stock balances".
2	MINUSMA should: (a) ensure contingents deploy qualified logistics/food officers; and (b) strengthen the regular training programme to build the capacity of the contingents' logistics/food officers on the electronic rations management system to enable them to perform their functions effectively.	Important	Yes	Chief Life Support Section, Force and Police Headquarter	30 June 2023	Life Support Section will develop quarterly training program and arrange trainings for newly arrived contingents. In addition, after the standard operating procedures is approved by the HoM, it will be shared with Force and Police Headquarters for implementation of the relevant parts. Force and Police Headquarter will enforce the participation of qualified persons attending the rations training and ensure trained officers will implement the preparation of

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Management Response

Audit of rations management in United Nations Multidimensional Integrated Stabilization Mission in Mali

						recipe, menu planning, food requesting, receiving and reporting.
3	MINUSMA should consistently follow up and obtain amended memoranda of understanding or note verbal from the Permanent Mission of the contingents to reflect changes in authorized contingent strength including the national support elements.	Important	Yes	Chief Contingent Owned Equipment Unit	31 December 2023	Contingent Owned Equipment Unit will follow up and provide the MOU and/or amendment to the MOU to the Rations Unit for updating the feeding strength including the national support elements on as when any changes occur basis. The requirement has been included in the standard operating procedures currently under development.
4	MINUSMA should ensure contingents submit food requests for their national support elements on a cost reimbursement basis or provide evidence that additional food was procured from other sources to feed their national support elements so that the established calorific value for the contingents is not compromised.	Important	Yes	Rations Unit, LSS, Force Headquarter and Police Headquarter.	31 December 2023	Rations Unit of LSS, Force and Police Headquarters will advise the contingents with national support element to submit the food request to Life Support Section/Rations Unit or provide evidence of procuring food for their national support element from other source. The requirement has been included in the standard operating procedures currently under development. Contingent and NSE strength reported by units in their food order will be cross-verified by COE Unit for recorded accuracy as part of the monthly Troop Strength Analysis Report verification.
5	MINUSMA should develop a plan to draw on existing resources, including the deployment of military staff officers in the Rations Unit to effectively implement rations operations and ensure required ensure required food safety and hygiene standards are met.	Important	Yes	Chief Life Support Section and Force Headquarters	31 March 2023	Life Support Section will submit a formal request to the Force Headquarters to assign qualified Military Staff Officers to Rations Unit to coordinate the rations operations as per the standard operating procedures

Management Response

Audit of rations management in United Nations Multidimensional Integrated Stabilization Mission in Mali

						and reinforced by the OIOS Audit recommendations.
6	MINUSMA, in coordination with the contractor, should assess the logistical challenges and develop contingency plans to ensure operational and strategic stock levels are at acceptable levels.	Important	Yes	Chief Life Support Section	31 December 2023	Life Support Section has already increased the size of the strategic reserve stock level from 28 days of supply to 56 days of supply in the new contract under solicitation. This will add up to a total of 84 days of supply from present 56 days of supply. This will reduce the operational risk.
7	MINUSMA should follow up with the Department of Operational Support to recover outstanding costs of food supplied to national support elements of troop and police-contributing countries.	Important	Yes	Chief LSS and Chief Finance & Budget Section	30 June 2023	MINUSMA will follow up with DOS and contingents' representatives in the Mission for the recovery of all outstanding amounts, as per the MINUSMA Cost Recovery SOP.