



INTERNAL AUDIT DIVISION

AUDIT REPORT 2013/056

Audit of the procurement, administration and management of rations contracts

**Overall results relating to the effective
procurement, administration and
management of rations contracts were
initially assessed as partially satisfactory.
Implementation of 11 important
recommendations remains in progress**

**FINAL OVERALL RATING: PARTIALLY
SATISFACTORY**

21 June 2013

Assignment No. AP2012/615 /05

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AUDIT REPORT

Audit of the procurement, administration and management of rations contracts

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the procurement, administration and management of rations contracts.

2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.

3. The United Nations sustained its military contingents in peacekeeping missions with fresh, frozen, chilled, dried and canned rations as well as bottled water and composite ration packs (CRPs) for the duration of their assignment. Rations were supplied under 12 contracts with a total Not-to-Exceed (NTE) amount of \$1.57 billion. In 2010/11 and 2011/12, missions spent approximately \$298.4 million and \$312.3 million respectively on rations. The approved budget for 2012/13 was \$349.6 million.

4. The Procurement Division (PD) of the Department of Management was responsible for preparing solicitations based on specifications established by the Logistics Support Division (LSD) of the Department of Field Support (DFS) and missions, identifying potential vendors, evaluating commercial proposals, obtaining approval from the Headquarters Committee on Contracts, negotiating and establishing contracts. LSD was responsible for: (a) developing technical specifications, statements of work and technical evaluation criteria for the procurement of rations in consultation with field missions; (b) coordinating and participating in the evaluation of technical proposals; (c) managing the contract for CRPs; and (d) providing policy support and technical guidance for the management of rations to field missions. Missions were responsible for the day-to-day management of their respective rations contracts including: ordering, receiving and inspecting (R&I) rations; processing and paying invoices; monitoring and evaluating contractors' performance; accounting; and reporting.

5. Rations management was governed by Rations Management Guidelines issued by LSD, respective contracts and mission-specific standard operating procedures (SOPs).

6. Comments provided by the audited entities are incorporated in italics.

II. OBJECTIVE AND SCOPE

7. The audit was conducted to assess the adequacy and effectiveness of LSD, PD and missions' governance, risk management and control processes in providing reasonable assurance regarding the **effective procurement, administration and management of rations contracts**.

8. The audit was included in the 2012 OIOS risk-based work plan due to the high risk associated with the procurement, and significant financial value of rations as well as the potentially significant impact on the implementation of missions' mandates of the failure of contractors to provide rations to uniformed personnel in the desired quality and quantity.

9. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this key control as one that provides reasonable assurance that policies and procedures: (i) exist to guide the administration and management of rations; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information:

10. The key control was assessed for the control objectives shown in Table 1.

11. OIOS conducted this audit from May 2012 to March 2013 at PD and LSD and in five missions and one office, including: the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO); the African Union-United Nations Hybrid Operation in Darfur (UNAMID); the United Nations Mission in Liberia (UNMIL); the United Nations Operation in Côte d'Ivoire (UNOCI); the United Nations Mission in South Sudan (UNMISS); and the United Nations Support Office for the African Union Mission in Somalia (UNSOA). The audit covered the procurement, administration and management of rations contracts during the periods from: (a) 1 April 2009 to 31 December 2012 for PD and LSD; (b) 1 July 2010 to 30 September 2012 for UNOCI, UNAMID and UNMIL; (c) 1 January 2011 to 30 September 2012 for UNSOA and MONUSCO as similar audits covering the prior periods had been conducted; and (d) the inception of UNMISS in July 2011 to 30 September 2012.

12. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

13. The LSD, PD and field missions' governance, risk management and control processes examined were **partially satisfactory** in providing reasonable assurance regarding the **effective procurement, administration and management of rations contracts**. OIOS made 19 recommendations to address issues identified. Rations were procured through competitive processes, and contracts were administered in compliance with the Procurement Manual and respective contracts. DFS had developed the United Nations Food Standards and Specifications that resulted in reducing the ceiling man-day rates (the maximum dollar value for 4,500 calories per person per day). DFS Rations Management Guidelines needed to be updated and aligned with recent changes in contractual arrangements, and improvements were required in DFS' document management system that served as a central repository of guidance and policy directives. Field missions were generally complying with requisitioning requirements, adequately monitoring the performance of contractors, and ensuring that contractors were paid only for rations received. However, some missions needed to enhance their inspections of contractors' warehouses and management of CRPs. For all field missions, the accounting and reporting of rations stocks needed improvement.

14. The initial overall rating was based on the assessment of key controls presented in Table 1. The final overall rating is **partially satisfactory** as implementation of 11 important recommendations remains in progress.

Table 1: Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective procurement, administration and management of rations contracts	Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A. Regulatory framework

The procurement and administration of rations contracts complied with the Procurement Manual

15. At PD and LSD, OIOS reviewed: (a) the procurement activities for all three rations contracts established during the audit period including those for UNAMID, AMISOM and CRPs; (b) the administration and management of the CRPs’ contract; and (c) the administration of the rations contracts for UNAMID, MONUSCO, UNOCI, UNMISS, the UNSOA-AMISOM, the United Nations Integrated Mission in Timor-Leste and the United Nations Stabilization Mission in Haiti. These reviews concluded that: (a) rations were procured through competitive processes thereby ensuring best value for money; (b) bids were properly safeguarded and processed in a transparent manner; (c) technical evaluations of bids by LSD and representatives of missions were properly conducted against established criteria; and (d) the results of technical and financial evaluations were used in awarding contracts to technically qualified vendors with the lowest financial proposals. Contracts were administered in compliance with the Procurement Manual and respective contracts.

Policy support and technical guidance for the management of rations needed to be better managed

16. LSD developed the United Nations Food Standards and Specifications, which were used for the first time in procuring rations for AMISOM and were also being used to procure rations for the United Nations Disengagement Observer Force and the United Nations Interim Force in Lebanon. The implementation of these standards resulted in a reduction in the ceiling man-day rate for AMISOM from \$7.6 to \$6.1.

17. LSD also provided policy support and technical guidance to field missions to ensure consistency and use of best practices in the management of rations through faxes prepared using the DFS correspondence management system and the promulgation of the DFS Rations Management Guidelines. However, the faxes were not systematically collected and filed as hardcopies or electronically. Due to this, LSD did not have a complete set of its policy and guidance documents, which precluded an assessment of the adequacy of LSD’s contribution to the development of mission-specific SOPs. Also, due to changes in contractual arrangements, the Rations Management Guidelines issued in 2004 were out-of-date, not adequate and cost-effective and sometimes unclear. Therefore, they were not consistently complied with as showed in the following examples:

- In compliance with the Guidelines, UNOCI, MONUSCO, UNMIL, UNMISS, UNAMID and UNSOA had developed SOPs and were conducting pre-dispatch inspections at their contractors' warehouses to prepare the R&I reports required for paying contractors. UNOCI and MONUSCO had permanently deployed receiving and inspecting staff at their contractors' warehouses while, due principally to resource constraints, UNMIL, UNMISS, UNAMID and UNSOA inordinately sent receiving and inspecting staff to warehouses to conduct pre-dispatch inspections. However, the results of pre-dispatch inspections were sometimes not documented and/or used for any purpose. LSD explained that pre-dispatch inspections were no longer necessary in missions where the contractors retained the risk of loss/damage during transportation of rations to contingents' locations, at which time delivery inspections and transfer of ownership to the United Nations takes place;
- At least four of the audited missions were wrongly of the view that the quantity of rations delivered by contractors to contingents should be determined using the actual troop strength although missions were expected to use the planned/projected number of troops (i.e., the actual number of troops that would be on the ground during that 28-day feeding period taking into consideration expected troop movement during that 28-day feeding period) when calculating the quantities of rations to be delivered; and
- Some missions were inspecting contingents' facilities to ensure compliance with hygiene standards although, according to DFS, these inspections were not an integral part of the rations unit's operations. The rations units did not have the authority to enforce compliance as this responsibility fell under the purview of the Force Hygiene Offices, the Force Medical Officer and the Contingent Commander.

18. LSD advised that there was a need to review and update the DFS Rations Management Guidelines; but this had been delayed, as priority had been given to the preparation of the United Nations Food Standards and Specifications, and other competing priorities.

(1) DFS should enhance its document retention system to facilitate the strengthening of its policy support and guidance to missions on the management of rations.

DFS accepted recommendation 1 and stated that it would coordinate with the Office of Information and Communications Technology to get more storage space in the shared drive to improve its document management system, and would improve the maintenance of the LSD database. Recommendation 1 remains open pending receipt of evidence that the LSD document management system related to rations has been enhanced.

(2) DFS should update the Rations Management Guidelines to ensure that they are in line with new contractual arrangements for the delivery and management of rations.

DFS accepted recommendation 2 and stated that the Rations Management Guidelines were under development to bring them in line with the new rations operational concept, the United Nations Food Standards and Specifications and Umoja. Recommendation 2 remains open pending receipt of a copy of the revised Rations Management Guidelines that accurately reflects the requirements of the new approach to the management of rations by field missions.

Missions were complying with requisitioning requirements; but some improvements were needed

19. With the exception of UNSOA, missions were complying with the requirements for processing of requisitions. In UNSOA, requisitions were submitted to the contractor by a rations requisitioning assistant without documented approval by the designated officer, who was the Chief Rations Officer.

(3) UNSOA should implement procedures to ensure that rations orders are formally reviewed and approved by the Chief Rations Officer, or a designated official, in compliance with the established standard operating procedures.

UNSOA accepted recommendation 3 and stated that in compliance with the new rations contract, rations orders were sent directly from the Chief Rations Officer to the contractor, and the UNSOA Rations Unit was delivering to the contractor signed copies of the requisitions to formally acknowledge their receipt. Based on the action taken by UNSOA, recommendation 3 has been closed.

Controls over receipt and inspection of rations needed improvement

20. In UNSOA, UNMIL and UNAMID, the quantity and quality of rations delivered to contingents were properly verified against relevant delivery notes by contingent food officers and/or R&I staff, and inspections of contractors' delivery equipment were conducted and duly documented on delivery notes signed by contingent food officers. Also, R&I reports that accurately reflected the quantities of rations received by contingents were prepared. However, the following conditions were observed of the R&I functions in UNOCI, MONUSCO and UNMISS:

- In UNOCI, 10 of 24 delivery locations did not have scales to weigh rations. Additionally, OIOS observed one rations delivery where the recorded arrival temperature was 2°C, which was unsuitable for fresh fruit, vegetables and dry rations. The unsuitable transit temperature contributed to the rapid deterioration of the produce;
- In UNMISS, neither the Rations Unit nor the contingents inspected the hygiene conditions of delivery vehicles and their temperature logs. This was because the UNMISS SOPs did not provide for such inspections; and
- In MONUSCO, rations were sometimes shipped via commercial aircraft from the contractor's warehouse to contingents at remote locations such as Mbandaka and Lubumbashi. Contingent food officers acknowledged receipt of rations from the commercial carrier without documenting the condition of the rations. Due to this process, MONUSCO did not have supporting documents that could be used to claim lost or damaged rations.

(4) UNOCI should supply contingents with scales for use when carrying out arrival inspections of food rations.

UNOCI accepted recommendation 4 and stated that it had initiated a procurement action for additional weighing scales. Recommendation 4 remains open pending receipt of evidence that weighing scales have been provided to all delivery locations.

(5) UNOCI should implement procedures to ensure that contractors use appropriate equipment and materials when transporting rations.

UNOCI accepted recommendation 5 and provided OIOS with evidence of additional vehicle

partitioning equipment purchased by the contractor. Based on the action taken by UNOCI, recommendation 5 has been closed.

- (6) UNMISS should update its standard operating procedures to require inspection by representatives of the contingent and the Rations Unit of the contractor's delivery vehicle and temperature logs.**

UNMISS accepted recommendation 6 and stated that procedures for inspecting the hygienic conditions and temperature logs of the contractor's delivery vehicle were now in place. Recommendation 6 remains open pending receipt of evidence that inspections of the contractor's delivery vehicles and temperature logs are being conducted.

- (7) MONUSCO should implement procedures to ensure that the Rations Unit receives formal feedback on the conditions of rations delivered by air to locations outside Kinshasa and Kampala.**

MONUSCO accepted recommendation 7 and stated that feedback procedures such as the requirement for discrepancy reporting by contingents were now in place. All discrepancies would be resolved by the vendor through subsequent deliveries and contingents would be visited by the Rations Supervisor once a quarter. Based on the action taken by MONUSCO, recommendation 7 has been closed.

Inspection and maintenance of contractors' warehouses was generally adequate

21. To ensure compliance by contractors with the required safe and hygienic warehousing standards, UNAMID, MONUSCO, UNOCI and UNMIL regularly inspected contractors' warehouses, maintained adequate records of these inspections, and arranged for the concerned contractors to take corrective actions to address any identified deficiencies.

22. However, while UNSOA inspected its contractor's warehouses in respect of the contract that expired on 26 September 2012; due to the lack of formal SOPs, it could not provide assurance that all required inspections were conducted. These SOPs would be required when warehouses were mobilized in respect of the new contract with a NTE amount of \$96 million, effective 27 September 2012.

23. UNMISS did not regularly inspect the contractor's warehouses. From July 2011 to September 2012, the R&I Unit made limited visits to the three warehouses, and there was no timetable to ensure inspections were done quarterly as required. OIOS' visits to warehouses noted that the contractor was not fully complying with health and safety requirements. For instance, workers were dressed in dirty clothes which exposed food rations to contamination; casual workers had not undergone the required medical testing; storage facilities and workers' changing rooms were not clean; the calibration certificate for the weighing scale in one location had expired; and visitors were allowed to enter facilities without adequate protection.

- (8) UNSOA should establish standards and criteria clarifying the requirements for conducting inspections at the contractor's warehouses.**

UNSOA accepted recommendation 8 and stated that, relative to the new contract, the mobilization of the contractor would include a review of the standard operating procedures for warehouse management. Recommendation 8 remains open pending receipt of standards and criteria to direct staff when conducting inspections at the contractor's warehouses.

(9) UNMISS should regularly inspect the contractor's warehouses to ensure that it is complying with the required hygiene and food safety standards.

UNMISS accepted recommendation 9 and stated that it had initiated regular inspection of contractor's warehouses, and provided OIOS with copies of inspection reports. Based on the action taken by UNMISS, recommendation 9 has been closed.

Improvements were needed in the management of composite ration packs and rations reserves

24. Rations contractors were required to maintain reserves of various types of rations at agreed levels on behalf of the respective missions. Contingents and contractors were required to periodically report their reserve holdings to the rations unit. The rations units were responsible for periodic counts and inspections of reserves.

25. Overall, the reserves maintained by contractors and contingents were fit for consumption. In UNOCI, UNAMID and UNMISS, the contractors and contingents maintained sufficient quantities of reserves and submitted periodic reports to the respective rations units in compliance with the relevant SOPs. However, the following issues were noted:

- UNMIL did not maintain sufficient reserves and contingents were not complying with the related periodic reporting requirements. For instance: (a) none of the contingents visited maintained the required 7-days reserve of frozen rations; (b) a count at 25 contingent locations identified that inventory levels of CRPs were almost 31,000 less than the levels required; and (c) two contingents had overstocked rice and salt with sufficient quantities for five weeks, instead of the required 7-days reserve, and continued ordering these items;
- In UNOCI, eight of the 24 locations visited did not have temperature monitoring devices for CRPs and one contingent had reported spoiled rations; and
- In MONUSCO: (a) there were 550,000 CRPs, as of 30 June 2012, far in excess of its requirement because MONUSCO was maintaining CRPs for civilians in addition to the requirement for contingents; and (b) due to faulty air conditioners and refrigerators, several contingents were not storing CRPs at the required temperatures.

(10) UNMIL should implement measures including periodic stock counts of reserves maintained by contingents and contractors to ensure compliance with food rations reserves.

UNMIL accepted recommendation 10 and stated that it would follow-up with contingents to ensure that the required level of reserves was maintained. Recommendation 10 remains open pending receipt of evidence that UNMIL has implemented adequate measures to account for the required level of reserves maintained by contingents and contractors.

(11) UNOCI should supply contingents with adequate temperature monitoring devices to avoid the spoilage of rations.

UNOCI accepted recommendation 11 and stated that new batteries for data loggers had been installed and digital thermometers had been requisitioned to ensure that contingent locations had adequate temperature monitoring devices. Recommendation 11 remains open pending receipt of evidence that all contingents have been provided with adequate temperature monitoring devices.

(12) MONUSCO should review the composite rations packs at all locations and implement appropriate procedures to reduce stock levels and to rotate stock, to avoid deterioration.

MONUSCO accepted recommendation 12 and stated that a comprehensive review of CRPs was conducted in July 2012. Regular consumption and turnover would be done on a monthly basis based on expiry dates of stocks. As at 21 May 2013, MONUSCO was holding 98,286 CRPs against an optimal stock level of 350,000 CRPs due to delays by the vendor. The balance would be delivered by 15 June 2013. The procurement of fresh CRP stocks was being done in batches to facilitate turnover/rotation of stocks to avoid deterioration. Based on the action taken by MONUSCO, recommendation 12 has been closed.

(13) MONUSCO, in collaboration with the contingents, should identify and repair faults at contingent storage sites to prevent spoilage of rations.

MONUSCO accepted recommendation 13 and stated that, in cooperation with the force headquarters, it had conducted an assessment of the required rations storage facilities at all locations. The MONUSCO Engineering Section would promptly address all reports of faulty equipment at contingent locations, and repairs would be done immediately to prevent spoilage of rations. Based on the action taken by MONUSCO, recommendation 13 has been closed.

Inadequate accounting and reporting of rations by contingents

26. Contingents were required to maintain registers showing rations receipts and issuances and to submit weekly stock balance reports to rations units. The rations units were responsible to regularly verify the accuracy of such reports and use them to adjust the contingents' requisitions for rations.

27. Contingents' accounting and reporting of rations was generally poor. Stock registers were not maintained and stock balance reports were not systematically prepared and submitted to rations units. When prepared, stock balance reports were not accurate. This was because rations units did not regularly verify whether contingents were maintaining accurate records and stock balance reports, as the following shows:

- In UNOCI: 15 of the sample 24 (out of 64) contingents visited did not maintain records of rations inventories, while seven others maintained records in their respective languages;
- In UNMIL: (a) there were no stock registers and stock balance reports for 21 out of 25 locations visited; (b) contingents were not systematically submitting the required weekly stock balance reports, e.g. in May 2012, only 10 out of 43 contingents submitted their weekly stock balance reports, and these reports were inaccurate; (c) a contractor was comingling operating stock with reserves, and OIOS' count at the contractor's warehouse identified a shortage of 16 pallets; and (d) periodic stock counts conducted by the Rations Unit were not documented and could therefore not be verified or used for any meaningful purpose;
- In UNSOA: (a) they received only 83 of the expected 133 monthly reports from 15 contingents, and three locations visited did not maintain the required stock cards; and (b) the records of CRPs maintained at the Mogadishu Logistics Base were not updated regularly;
- In UNAMID: negative stock balances were reported by contingents, and they were not regularly submitting the required monthly stock reports to the Rations Unit;

- In MONUSCO: six of nine contingents kept stock records in their respective languages, and there was no consistent submission of monthly stock reports; and
- In UNMISS: (a) the Rations Unit did not regularly obtain and review monthly stock balance reports of CRPs maintained by contingents and the contractor; (b) the Rations Unit obtained only 44 (30 per cent) of the required stock balance reports for 10 of 29 contingents' records examined; and (c) the database maintained by the Rations Unit to monitor the movement of CRPs was inaccurate and not up to date, with OIOS' counts at three contractor's locations and contingents' stores showing that there were 2,827 more CRPs than reported.

(14) MONUSCO, UNMIL, UNAMID, UNMISS and UNOCI should implement measures, including the provision of training, to ensure that contingents adequately and accurately account for rations and submit accurate stock balance reports to rations units.

MONUSCO, UNAMID, UNMISS and UNOCI accepted recommendation 14. The MONUSCO Force Headquarters had issued a directive to contingents on submitting regular stock balance reports to the Rations Unit, and the Rations Unit reiterated this requirement during food conferences held in May 2013. UNAMID developed a compliance inspection plan that included that each contingent would be inspected three times a year. UNMISS developed templates for monthly stock reporting. UNOCI stated that the Rations Unit would not accept requisitions from contingents without accurate stock balance reports, and the SOPs had been updated to reflect this new requirement, with reminders given during monthly meetings and training sessions. UNMIL would instruct contingents to submit their stock balance reports at the end of every period. Based on the action taken by MONUSCO, UNAMID, UNMISS, and UNOCI, recommendation 14 has been closed. For UNMIL, recommendation 14 remains open pending receipt of evidence that contingents are complying with the requirement to regularly submit accurate stock balance reports, and mechanisms are in place to verify the accuracy and reliability of these reports.

(15) UNSOA should implement a mechanism for ensuring that contingents comply with the requirement for accounting and reporting of rations stocks

UNSOA accepted recommendation 15 and stated that although the UNSOA Rations Unit had issued directives on maintaining stock balance reports, AMISOM contingents had not complied, and CRPs had been issued / consumed without notice. UNSOA would continue to engage with AMISOM at the appropriate level to request compliance. Recommendation 15 remains open pending receipt of evidence that a mechanism has been implemented to ensure that contingents comply with the requirement for accounting and reporting of rations stocks.

(16) UNSOA should maintain updated stock cards of composite ration packs (CRP) to allow proper monitoring, and to provide an audit trail for CRP transactions.

UNSOA accepted recommendation 16 and stated that stocks would be checked on a monthly basis by a designated AMISOM official at sector headquarters and reports would be sent to the Rations Unit. Additionally, stock reports would be received on a monthly basis from the rations contractor as per the contract. Recommendation 16 remains open pending receipt of evidence that accurate and up-to-date stock records of CRPs are maintained.

Monitoring of contractors' performance for some field missions needed to improve

28. Generally, monitoring of the performance of rations contractors was adequate. However, improvements were needed by UNAMID and UNSOA. UNAMID did not evaluate contractors' performance, prepare the required reports for the quarters ending 30 June and 30 September 2012, and hold performance meetings from April to August 2012 due to uncertainties about the continuation of the contract. UNSOA did not hold performance meetings with contractors during April and June 2012. UNSOA officers did not regularly attend contractors' performance meetings thus reducing the ability to effectively identify and address contractor non-performance issues.

29. The required performance and discrepancy reports were prepared for all audited missions, except for UNMISS and UNAMID. UNMISS did not have the discrepancy and activity reports for over 40 per cent of the periods for which such reports were requested. Table 2 shows a summary of the results of missions' compliance with performance monitoring requirements.

Table 2: Mission compliance with performance monitoring requirements

COMPLIANCE ISSUE	UNOCI	MONUSCO	UNSOA	UNMISS	UNAMID	UNMIL
All contractor performance meetings were held as required	Yes	Yes	No	Yes	No	Yes
Monthly contractor performance meetings were held and related activity and discrepancy reports were prepared	Yes	Yes	Yes	No	Yes	Yes
Quarterly performance reports and bi-annual evaluations were prepared and submitted to DFS and PD, respectively	Yes	Yes	Yes	Yes	No	Yes
Contractor performance deficiencies identified in reports	Yes	Yes	Yes	Yes	Yes	Yes
Contingent food officers meetings were held and related report submitted to the Rations Unit	Yes	Yes	Yes	Yes	Yes	Yes

30. The missions' assessments of their contractors' performance showed, in general, that the contractors were performing well as indicated in Table 3. Issues identified by missions were duly reflected in performance reports and were addressed by the respective contractors. For UNMIL the rate of late food delivery was 20 per cent against the agreed 5 per cent margin allowed in the contract. UNMIL imposed a performance penalty of \$405,000 on the rations contractor, of which \$246,000 had not been recovered at the time of the audit. The balance was recovered after the audit.

Table 3: Identified contractor deficiencies per mission

DEFICIENCY	UNOCI	MONUSCO	UNSOA	UNMISS	UNAMID	UNMIL
Non-functioning cooling units in storage facilities	None	None	None	Yes	Yes	None
Structural deficiencies of contractor's warehouse	None	None	None	None	Yes	None
Short deliveries of rations orders	None	None	None	Yes	None	None
Delivery of spoiled, damaged or substandard rations	None	None	None	Yes	None	None
Late deliveries	None	None	None	None	None	Yes
lack of proper labeling of food items	None	None	None	Yes	None	None
Lack of adequate personnel including operations manager and warehouse and quality assurance personnel	None	None	None	None	Yes	None

(17) UNAMID should ensure that the contractor's performance is evaluated for the quarters ended 30 June 2012 and 30 September 2012 and ensure that identified performance deficiencies are dealt with in a timely manner.

UNAMID accepted recommendation 17 and provided OIOS with copies of the contractor's performance reports. Based on the action taken by UNAMID, recommendation 17 has been closed.

(18) UNMISS should prepare monthly activity reports, maintain contract discrepancy reports, and ensure that contractors address performance deficiencies in a timely manner.

UNMISS accepted recommendation 18 and stated that monthly activity and contract discrepancy reports would be prepared. Recommendation 18 remains open pending receipt of evidence that activity and discrepancy reports are being prepared and maintained.

(19) UNSOA should ensure that the requirements for the contractor's performance meetings are consistently complied with.

UNSOA accepted recommendation 19 and stated that regular monthly meetings with the contractor had been initiated, and minutes of meetings were maintained. OIOS' review of minutes of the January 2013 meeting showed that contrary to SOPs, the performance meeting was not chaired by a representative from the Contracts Management Section and a representative of the Procurement Section was not in attendance. Recommendation 19 remains open pending receipt of evidence that contract performance meetings are conducted in compliance with the SOP.

Invoices were adequately supported prior to payment

31. Contractors' invoices were duly supported by relevant requisitions and R&I reports, and payments were certified and approved by designated officers and were based on rates established in the respective contracts. Payments were properly supported and made in accordance with the United Nations Financial Regulations and Rules.

32. In UNMISS and UNMIL, due to delays in the processing of invoices, payments were not always made within the United Nations stipulated timeframe of 30 days from receipt of the invoice. However, these missions were implementing measures to improve invoice processing timelines.

IV. ACKNOWLEDGEMENT

33. OIOS wishes to express its appreciation to the Management and staff of [insert audited entity] for the assistance and cooperation extended to the auditors during this assignment.

(Signed) David Kanja
Assistant Secretary-General for Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS - DFS

Audit of the administration and management of rations contracts in field missions

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	DFS should enhance its document retention system to facilitate the strengthening of its policy support and guidance to missions on the management of rations.	Important	O	Receipt of evidence that the LSD document management system related to rations has been enhanced.	First quarter 2014
2	DFS should update the Rations Management Guidelines to ensure that they are in line with new contractual arrangements for the delivery and management of rations.	Important	O	Receipt of a copy of the revised Rations Management Guidelines that accurately reflects the requirements of the new approach to the management of rations by field missions.	Fourth quarter of 2014

¹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

³ C = closed, O = open

⁴ Date provided by DFS in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS - MONUSCO

Audit of the administration and management of rations contracts in field missions

Recom. no.	Recommendation	Critical ⁵ / Important ⁶	C/ O ⁷	Actions needed to close recommendation	Implementation date ⁸
7	MONUSCO should implement procedures to ensure that the Rations Unit receives formal feedback on the conditions of rations delivered by air to locations outside Kinshasa and Kampala.	Important	C	Action taken.	Implemented
12	MONUSCO should review the composite rations packs at all locations and implement appropriate procedures to reduce stock levels and to rotate stock, to avoid deterioration.	Important	C	Action taken.	Implemented
13	MONUSCO, in collaboration with the contingents, should identify and repair faults at contingent storage sites to prevent spoilage of rations.	Important	C	Action taken.	Implemented
14	MONUSCO should implement measures, including the provision of training, to ensure that contingents adequately and accurately account for rations and submit accurate stock balance reports to rations units.	Important	C	Action taken.	Implemented

⁵ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

⁶ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁷ C = closed, O = open

⁸ Date provided by MONUSCO in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS - UNAMID

Audit of the administration and management of rations contracts in field missions

Recom. no.	Recommendation	Critical ⁹ / Important ¹⁰	C/ O ¹¹	Actions needed to close recommendation	Implementation date ¹²
14	UNAMID should implement measures, including the provision of training, to ensure that contingents adequately and accurately account for rations and submit accurate stock balance reports to rations units.	Important	C	Action taken.	Implemented
17	UNAMID should ensure that the contractor's performance is evaluated for the quarters ended 30 June 2012 and 30 September 2012 and ensure that identified performance deficiencies are dealt with in a timely manner.	Important	C	Action taken.	Implemented

⁹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

¹⁰ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

¹¹ C = closed, O = open

¹² Date provided by UNAMID in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS - UNMIL

Audit of the administration and management of rations contracts in field missions

Recom. no.	Recommendation	Critical ¹³ / Important ¹⁴	C/ O ¹⁵	Actions needed to close recommendation	Implementation date ¹⁶
10	UNMIL should implement measures including periodic stock counts of reserves maintained by contingents and contractors to ensure compliance with food rations reserves.	Important	O	Receipt of evidence that UNMIL has implemented adequate measures to account for the required level of reserves maintained by contingents and contractors.	Third quarter 2013
14	UNMIL should implement measures, including the provision of training, to ensure that contingents adequately and accurately account for rations and submit accurate stock balance reports to rations units.	Important	O	Receipt of evidence that contingents are complying with the requirement to regularly submit accurate stock balance reports, and mechanisms are place to verify the accuracy and reliability of these reports.	Fourth quarter 2013

¹³ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

¹⁴ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

¹⁵ C = closed, O = open

¹⁶ Date provided by UNMIL in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS - UNMISS

Audit of the administration and management of rations contracts in field missions

Recom. no.	Recommendation	Critical ¹⁷ / Important ¹⁸	C/ O ¹⁹	Actions needed to close recommendation	Implementation date ²⁰
6	UNMISS should update its standard operating procedures to require inspection by representatives of the contingent and the Rations Unit of the contractor's delivery vehicle and temperature logs.	Important	O	Receipt of evidence that inspections of the contractor's delivery vehicles and temperature logs are being conducted.	First quarter 2014
9	UNMISS should regularly inspect the contractor's warehouses to ensure that it is complying with the required hygiene and food safety standards.	Important	C	Action taken.	Implemented
14	UNMISS should implement measures, including the provision of training, to ensure that contingents adequately and accurately account for rations and submit accurate stock balance reports to rations units.	Important	C	Action taken.	Implemented
18	UNMISS should prepare monthly activity reports, maintain contract discrepancy reports, and ensure that contractors address performance deficiencies in a timely manner.	Important	O	Receipt of evidence that activity and discrepancy reports are being prepared and maintained.	First quarter 2014

¹⁷ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

¹⁸ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

¹⁹ C = closed, O = open

²⁰ Date provided by UNMISS in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS - UNOCI

Audit of the administration and management of rations contracts in field missions

Recom. no.	Recommendation	Critical ²¹ / Important ²²	C/ O ²³	Actions needed to close recommendation	Implementation date ²⁴
4	UNOCI should supply contingents with scales for use when carrying out arrival inspections of food rations.	Important	O	Receipt of evidence that weighing scales have been provided to all delivery locations.	First quarter 2014
5	UNOCI should implement procedures to ensure that contractors use appropriate equipment and materials when transporting rations.	Important	C	Action taken.	Implemented
11	UNOCI should supply contingents with adequate temperature monitoring devices to avoid the spoilage of rations.	Important	O	Receipt of evidence that all contingents have been provided with adequate temperature monitoring devices	First quarter 2014
14	UNOCI should implement measures, including the provision of training, to ensure that contingents adequately and accurately account for rations and submit accurate stock balance reports to rations units.	Important	C	Action taken.	Implemented

²¹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

²² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

²³ C = closed, O = open

²⁴ Date provided by UNOCI in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS - UNSOA

Audit of the administration and management of rations contracts in field missions

Recom. no.	Recommendation	Critical ²⁵ / Important ²⁶	C/ O ²⁷	Actions needed to close recommendation	Implementation date ²⁸
3	UNSOA should implement procedures to ensure that rations orders are formally reviewed and approved by the Chief Rations Officer, or a designated official, in compliance with the established standard operating procedures.	Important	C	Action taken.	Implemented
8	UNSOA should establish standards and criteria, clarifying the requirements for conducting inspections at the contractor's warehouses.	Important	O	Receipt of standards and criteria to direct staff when conducting inspections at the contractor's warehouses.	First quarter 2014
15	UNSOA should implement a mechanism for ensuring that contingents comply with the requirement for accounting and reporting of rations stocks.	Important	O	Receipt of evidence that a mechanism has been implemented to ensure that contingents comply with the requirement for accounting and reporting of rations stocks.	31 July 2013
16	UNSOA should maintain updated stock cards of composite ration packs (CRP) to allow proper monitoring, and to provide an audit trail for CRP transactions.	Important	O	Receipt of evidence that accurate and up-to-date stock records of CRPs are maintained.	First quarter 2014
19	UNSOA should ensure that the requirements for the contractor's performance meetings are consistently complied with.	Important	O	Receipt of evidence that performance meetings are chaired by a representative from the Contracts Management Section, and the Procurement Section is represented.	31 December 2013

²⁵ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

²⁶ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

²⁷ C = closed, O = open

²⁸ Date provided by UNSOA in response to recommendations.

APPENDIX I

Management Response

AUDIT RECOMMENDATIONS - DFS

Audit of the administration and management of rations contracts in field missions

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	DFS should enhance its document retention system to facilitate strengthening of its policy support and guidance to missions on the management of rations.	Important	Yes	Director, LSD	First quarter of 2014	DFS comments are reflected in the draft report. The Department does not have any further comments.
2	DFS should update the Rations Management Guidelines to ensure that in line with new contractual arrangements for the delivery and management of rations.	Important	Yes	Director, LSD	Fourth quarter of 2014	DFS comments are reflected in the draft report. The Department does not have any further comments.

¹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

AUDIT RECOMMENDATIONS

Audit of the administration and management of rations contracts in field missions – MONUSCO

Rec. no.	Recommendation	Critical ³ / Important ⁴	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
7	MONUSCO should implement procedures to ensure that the Rations Unit receives formal feedback on the conditions of rations delivered by air to locations outside Kinshasa and Kampala.	Important	Yes	N/A	Implemented	MONUSCO Rations Unit receives formal feedback from contingents on the condition of rations in the form of "Delivery Discrepancy Reports". All discrepancies are resolved by the vendor through subsequent deliveries. To further strengthen the surveillance and feedback on the condition of rations to air delivered locations, Rations Supervisors visited the air maintained contingents once in quarter. Copies of the discrepancy and monitoring reports have been provided to the resident auditors.
12	MONUSCO should review the composite rations packs at all locations and implement appropriate procedures to reduce stock levels and to rotate stock to avoid deterioration.	Important	Yes	N/A	Implemented	MONUSCO conducted a comprehensive review of composite ration packs (CRPs) requirements as early as July 2012. Regular consumption and turnover had been planned on a monthly basis depending on expiry dates of stocks. As of 21 May 2013, MONUSCO is holding only 98,286 CRPs against an optimal stock level of 350,000 CRPs. The shortfall is due to the delay in delivery by the vendor and it is expected to be delivered by 15 Jun 2013. The procurement of fresh CRP stocks is also being done in batches to facilitate turnover/rotation of stocks to avoid deterioration. An extract of the Galileo report has been provided to resident auditors.

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⁴ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Rec. no.	Recommendation	Critical ³ / Important ⁴	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
13	MONUSCO, in collaboration with the contingents, should identify and repair faults at contingent storage sites to prevent spoilage of rations.	Important	Yes	N/A	Implemented	The Mission, in cooperation with the Force Headquarters, has conducted an assessment of the required ration storage at all locations and a matrix has been developed. It is the responsibility of contingents to report faulty equipment at their locations. MONUSCO Engineering Section accedes to all such reports and requests for repairs immediately to prevent spoilage of rations.
14	MONUSCO should implement measures, including the provision of training, to ensure that contingents adequately and accurately account for rations and submit accurate stock balance reports to rations units.	Important	Yes	N/A	Implemented	Based on a directive from Force Headquarters, most of the contingents are now submitting their stock balance reports regularly. These stock balances are verified during the inspection of contingent facilities by Rations Unit staff. The Mission's Rations Unit has also been reiterating this requirement during trainings for contingents. Copies of sample stock balance reports have been provided to the resident auditors.

AUDIT RECOMMENDATIONS

Audit of the administration and management of rations contracts in field missions – UNAMID

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
14	UNAMID should implement measures, including the provision of training, to ensure that contingents adequately and accurately account for rations and submit accurate stock balance reports to rations units.	Important	Yes	N/A	Implemented	The recommendation has been implemented. Copies of monthly balance reports have been submitted to the resident auditors.
17	UNAMID should ensure that the contractor's performance is evaluated for the quarters ended 30 June 2012 and 30 September 2012 and ensure that identified performance deficiencies are dealt with in a timely manner.	Important	Yes	N/A	Implemented	The recommendation has been implemented. Copies of contractor's performance reports for 30 June and 30 September 2012 have been submitted to the resident auditors.

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⁶ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

AUDIT RECOMMENDATIONS

Audit of the administration and management of rations contracts in field missions – UNMIL

Rec. no.	Recommendation	Critical ⁷ / Important ⁸	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
10	UNMIL should implement measures including periodic stock counts of reserves maintained by contingents and contractors for ensuring compliance with food rations reserves requirements.	Important	Yes	Chief, Rations Unit, UNMIL	Third quarter of 2013	The Mission's comments are reflected in the draft report. UNMIL does not have any further comments.
14	UNMIL should implement measures, including the provision of training, to ensure that contingents adequately and accurately account for rations and submit accurate stock balance reports to rations units.	Important	Yes	Chief, Rations Unit, UNMIL	Fourth quarter of 2013	The Mission's comments are reflected in the draft report. UNMIL does not have any further comments.
20	UNMIL should establish a mechanism to ensure that contractors use the Note Verbales for tax exempt importation of goods into Liberia solely to meet the consumption needs of the Mission.	Important	Yes	N/A	Implemented	UNMIL Rations Unit is monitoring and accounting for all goods imported into country by the Contractor. The Contractor reports stock holdings monthly for monitoring purposes. Contractor stock levels are determined by the Contractor and any loss in overstocking items is absorbed by the Contractor. UNMIL's responsibility is to monitor that the quantities imported are accounted for via delivery, storage or destruction. The Mission will continue to monitor what the Contractor imports and question the importation of large quantities so that it is not used for other purposes. Copies of monthly monitoring reports have been submitted to the resident auditors.

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⁸ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

AUDIT RECOMMENDATIONS - UNMISS

Audit of the administration and management of rations contracts in field missions

Rec. no.	Recommendation	Critical ⁹ / Important ¹⁰	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
6	UNMISS should update its standard operating procedures to require inspections by representatives of the contingent and the Rations Unit of the contractor's delivery vehicle and temperature logs.	Important	Yes	Rations/ Quality Assurance Officers, UNMISS	First quarter of 2014	The Mission's comments are reflected in the draft report. UNMISS does not have any further comments.
9	UNMISS should regularly inspect the contractor's warehouses to ensure that it is complying with the required hygiene and food safety standards.	Important	Yes	N/A	Implemented	The recommendation has been implemented. UNMISS has initiated regular inspections of contractor's warehouse and maintains records of these inspections. Copies of the inspection reports have been submitted to resident auditors.
14	UNMISS should implement measures, including the provision of training, to ensure that contingents adequately and accurately account for rations and submit accurate stock balance reports to rations units.	Important	Yes	Rations/ Quality Assurance Officers, UNMISS	Implemented	The recommendation has been implemented. UNMISS has developed new templates that are being used for monthly reporting. Copies of the templates and monthly reports have been provided to the resident auditors.
18	UNMISS should prepare monthly activity reports, maintain contract discrepancy reports, and ensure that contractors address performance deficiencies in a timely manner.	Important	Yes	Rations/ Quality Assurance Officers, UNMISS	First quarter of 2014	The Mission's comments are reflected in the draft report. UNMISS does not have any further comments.

⁹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

¹⁰ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

AUDIT RECOMMENDATIONS - UNOCI

Audit of the administration and management of rations contracts in field missions

Rec. no.	Recommendation	Critical ¹¹ / Important ¹²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
4	UNOCI should supply contingents with scales for use when carrying out arrival inspections of food rations.	Important	Yes	Chief, Rations Unit, UNOCI	First quarter of 2014	The Mission's comments are reflected in the draft report. UNOCI does not have any further comments.
5	UNOCI should implement procedures to ensure that contractors use appropriate equipment and materials when transporting rations.	Important	Yes	N/A	Implemented	The recommendation has been implemented. The Contractor's receipt confirming the purchase of additional vehicle partitioning equipment has been provided to resident auditors.
11	UNOCI should supply contingents with adequate temperature monitoring devices to avoid the spoilage of rations.	Important	Yes	Chief, Rations Unit, UNOCI	First quarter of 2014	The Mission's comments are reflected in the draft report. UNOCI does not have any further comments.
14	UNOCI should implement measures, including the provision of training, to ensure that contingents adequately and accurately account for rations and submit accurate stock balance reports to rations units.	Important	Yes	N/A	Implemented	The recommendation has been implemented. UNOCI has established a mechanism for contingents to submit at the end of every 28 day ration period accurate stock balance reports. The Rations Unit Standard Operating Procedures (SOP) were updated to include this new requirement. Under the new procedure, requisitions are not accepted by Rations Unit unless accurate stock reports have been submitted to the Rations Unit. Contingent Logistic Officers are reminded of this during monthly meeting and training sessions. A copy of the SOP, samples of monthly stock reserve reports and training attendance lists for contingent personnel have been provided to the resident auditors.

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¹² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

AUDIT RECOMMENDATIONS

Audit of the administration and management of rations contracts in field missions - UNSOA

Rec. no.	Recommendation	Critical ¹³ / Important ¹⁴	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
3	UNSOA should implement procedures to ensure that rations orders are formally reviewed and approved by the Chief Rations Officer or a designated official for this purpose in compliance with established standard operating procedures.	Important	Yes	N/A	Implemented	The recommendation has been closed in the draft report.
8	UNSOA should establish standards and criteria clarifying the requirements for conducting for inspecting the contractor's warehouses.	Important	Yes	Chief, Supply Section, UNSOA	First quarter of 2014	The contractor's warehouse has not yet been mobilized. As part of the latest extension granted by Procurement Division, the mobilization process will include a review of the contractor's procedures and standard operating procedures for warehouse management.
15	UNSOA should implement a mechanism for ensuring that contingents comply with the requirement for accounting and reporting of rations stocks.	Important	Yes	Chief, Supply Section, UNSOA	Full implementation is dependent on external factors	Although the UNSOA Rations Unit has issued directives explaining the requirement for maintaining stock balance reports, AMISOM contingents have not complied, and CRPs have been issued/consumed without notice. However, it should be noted that compliance enforcement is not within the direct control of UNSOA. Nevertheless, Management will continue to engage with AMISOM at the appropriate level to request compliance.

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¹⁴ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Rec. no.	Recommendation	Critical ¹³ / Important ¹⁴	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
16	UNSOA should maintain updated stock cards of composite ration packs to allow proper monitoring and to provide an audit trail for CRP transactions.	Important	Yes	Chief, Supply Section, UNSOA	First quarter of 2014	The Mission's comments are reflected in the draft report. UNSOA does not have any further comments.
19	UNSOA should ensure that the requirements for contractor's performance meetings are consistently complied with.	Important	Yes	N/A	Implemented	The recommendation has been implemented. UNSOA has initiated regular monthly meetings with the contractor and are held and the minutes of meeting maintained. Copies of the minutes have been provided to the resident auditors.



TO: Ms. Eleanor T. Burns, Chief
A: Peacekeeping Audit Service, Internal Audit Division
Office of Internal Oversight Services

DATE: 18 June 2013

THROUGH Christian Saunders, ~~Director~~
: Office of the Under-Secretary-General for Management

S/C DE:

FROM: Mario Baez, Chief, Policy and Oversight Coordination Service
DE: Office of the Under-Secretary-General for Management

SUBJECT: **Assignment No. AP/2012/615/05 – audit of the procurement, administration and
OBJET: management of rations contracts**

1. In response to your memorandum dated 3 May 2013 on the above subject, we are pleased to inform OIOS that the Department of Management has no comments on the draft report.
2. Thank you for the opportunity to provide comments.

13-01502
19 July 2013