



INTERNAL AUDIT DIVISION

REPORT 2021/015

Audit of rations management in the United Nations Mission in the Republic of South Sudan

**The Mission needed to enhance controls over
requisitioning of rations and ensure that
contingent food safety and hygiene
inspections are regularly conducted**

21 May 2021

Assignment No. AP2020-633-09

Audit of rations management in the United Nations Mission in the Republic of South Sudan

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of rations management in the United Nations Mission in the Republic of South Sudan (UNMISS). The objective of the audit was to assess the efficiency and effectiveness of rations management in UNMISS. The audit covered the period from 1 July 2018 to 30 September 2020 and included: requisitioning and delivery of rations; quality control and stock management; invoice processing; contractor performance monitoring; and mobilization and demobilization of the rations contract.

UNMISS ensured an uninterrupted supply of rations during the period, adequately monitored the contractor's quality control programme, ensured rations invoices were processed in a timely manner, effectively monitored contractor performance, and adequately oversaw the mobilization of the new rations contract. However, UNMISS needed to enhance procedures over the level of rations provided to contingents and ensure contingent food safety and hygiene inspections are regularly conducted.

OIOS made two recommendations. To address issues identified in the audit, UNMISS needed to:

- Validate final food orders against monthly troop strength reports submitted by military and police components to ensure excess rations are not provided; and
- Conduct regular food safety and hygiene inspections at contingent locations to ensure food safety and hygiene standards are complied with.

UNMISS accepted the recommendations and has initiated action to implement them.

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Audit of rations management in the United Nations Mission in the Republic of South Sudan

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of rations management in the United Nations Mission in the Republic of South Sudan (UNMISS).
2. UNMISS is required to provide enough food rations (fresh, frozen, chilled, dried, and canned food items), bottled water and composite ration packs (CRPs) of appropriate quality to sustain 15,500 military troops and formed police unit personnel. Also, due to the food situation in the country, international civilian staff (about 1,145) had permission to order food rations for their personal use. UNMISS currently acquires rations through a turnkey¹ service contract with a not-to-exceed (NTE) amount of \$110.8 million established on 19 July 2019 and another for the supply of CRPs, with NTE amount of \$65.8 million established on 28 June 2017.
3. UNMISS uses the Electronic Rations Management System (eRMS), a web-based application, for rations management that include: approving and managing recipes; creating, submitting and approving contingent menu plans; generating and approving bulk orders; updating final feeding strength; generating final food orders; receiving goods; managing contractor performance and vendor documents; reconciling accounts and creating invoices.
4. UNMISS budgets for rations for 2018/19 and 2019/20 were \$66.9 million and \$60.5 million, respectively. As of July 2020, the rations contractor had four warehouses that were in Juba, Malakal, Bentiu and Wau and supplied rations to 72 locations (56 military, 7 formed police and 9 civilian staff cafeterias).
5. The Rations Unit is responsible for the day-to-day management and administration of rations and CRP contracts and monitoring the rations contractor's performance. The Unit is headed by the Chief Rations Officer at the P-4 level who reports to the Chief of Supply Chain Management Service through the Chief, Warehouse and Commodity Management Section. The Unit has 28 approved posts consisting of 8 international staff, 3 United Nations volunteers, 8 national staff and 9 military staff officers.
6. Comments provided by UNMISS are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the efficiency and effectiveness of rations management in UNMISS.
8. This audit was included in the 2020 risk-based work plan of OIOS due to the operational and financial risks related to providing rations to contingents serving in UNMISS.
9. OIOS conducted this audit from July to October 2020. The audit covered the period from 1 July 2018 to 30 September 2020. Based on an activity-level risk assessment, the audit covered higher and medium risk areas which included: requisitioning and delivery of rations; quality control and stock

¹ In the turnkey contract, the contractor is given full responsibility to purchase, import, store and distribute rations to troops. Ownership of rations only transfers to UNMISS upon confirmation of receipt by contingents, and civilian staff.

management; invoice processing; contractor performance monitoring; and mobilization and demobilization of the rations contract.

10. The audit methodology included: (a) interview of key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) testing of randomly selected samples of 93 of 8,420 final food orders, 81 of the 2,105 bulk food orders and 93 of the 1,025 rations shipments.

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

III. AUDIT RESULTS

A. Requisitioning and delivery of rations

Need to adjust final food orders based on validated troop strength

12. OIOS review of final and bulk food orders and eRMS reports noted that the Rations Unit submitted to the contractor the bulk and final food orders within the prescribed 74 and 21 days respectively, and these were prior to the start of the 28-day consumption period. Also: (a) food provisioning was within the United Nations Rations maximum scale of 4,500 calories per person per day and the prescribed ceiling man rate per location; (b) bulk and final food orders were based on menu plans to cater for diverse food cultures; (c) unit prices used in final food orders corresponded to contract prices; and (d) final food orders (based on feeding strength) were reduced by the number of CRPs approved for the consumption period.

13. However, the Rations Unit did not systematically reduce final food orders by those troops that were absent from the Mission. For instance, OIOS reconciliation of eRMS troop strength numbers for a sample of 93 of the 8,420 final food orders with the Military Personnel Component (MPC) monthly troop strength reports (TSRs) showed a difference of 61 persons. The difference related to those troops that had been medically repatriated. Also, reconciliation of leave reports from April to June 2020 prepared by MPC against final food orders showed that they were not reduced by on average 142 persons per month for those troops that were unable to return to the Mission due to COVID-19 travel restrictions. Therefore, contingents were given more rations than necessary.

14. The above happened as the Rations Unit were not validating the feeding TSRs generated by contingents against TSRs prepared by MPC and therefore, discrepancies in numbers were not identified. OIOS calculated that it resulted in unnecessary expenditure of \$74,874 for troops that were on leave during the months April to June 2020 and for the 61 repatriated troops. UNMISS informed that it had recovered excess food supplied estimated at \$38,591 and was planning to recover the balance by the end of May 2021 by adjusting subsequent final food orders.

(1) UNMISS should strengthen controls over the food ordering process by validating final food orders against monthly troop strength reports submitted by the military and police components to ensure excess rations are not provided.

UNMISS accepted recommendation 1 and stated that to ensure compliance, the Rations Unit has sent a communication to the Chiefs of Staff for Force and Police requesting that they emphasize to commanding officers the need to provide accurate troop strength numbers that will be subsequently validated. The Rations Unit will also work closely with the Force and Police Headquarters personnel in ensuring compliance and implement a monitoring mechanism to oversee the food ordering process, thereby preventing excess rations being issued. Recommendation 1 remains open pending receipt of

evidence that final food orders are adjusted based on troop strength numbers validated by the military and police personnel components.

UNMISS had taken action to enhance controls over receipt of rations in eRMS

15. To ensure that rations are delivered in a timely manner, the rations contractor in liaison with the Rations Unit, prepare rations delivery schedules. This control was effective as the contractor had delivered all but 2 of the 529 deliveries on the agreed day. For those that were delayed (by two to three days) the Mission imposed the required penalties on the contractor.

16. However, military contingents did not acknowledge receipt of 47 of the 529 deliveries in eRMS, despite being provided with bar code scanners and unique identity cards (ID) for uploading the data. The Rations Unit explained that contingents occasionally faced technical issues with their computers and scanners, and when this happened, the Rations Unit staff uploaded the data on their behalf after receiving the signed delivery note. This process was becoming a practice and was not ideal or efficient as Rations Unit staff are using their ID to input contingent data, and it was taking months to receive the delivery note. For instance, from a sample of 25 delivery notes, it took the Unit an average 12 months for the information to be recorded in eRMS. These delays also resulted in duplicative manual records being maintained by the Rations Unit. In OIOS view, there is a need for contingents to fully use eRMS to avoid duplicative systems, eliminate chance of losing records in transit, and to facilitate accurate and timely processing of invoices.

17. Based on the preliminary audit results, the Rations Unit introduced procedures at each sector office to ensure the signed and verified delivery notes are timely uploaded into eRMS. OIOS confirmed that this procedure is in place and therefore, does not make a recommendation.

The Mission had procedures that ensured imported rations were only for its use

18. During the audit period, the Mission through the contractor imported 28,482 tons of rations costing \$76.7 million in 1,025 shipments. The Mission had developed a database and the audit noted that the Rations Unit was tracking all incoming rations shipments and ensured that all relevant documents were in place prior to issuing a Note Verbal to the host government for customs duties exemptions.

19. Moreover, based on a request from UNMISS, in May 2019, the contractor had provided written declaration that rations imported into the country were solely for UNMISS. The Rations Unit also conducted inspections at the contractor's warehouses to verify that goods arriving matched those on the shipping documents and the contractor's inventory records properly reflected this. On a weekly basis, the Rations Unit reviewed the contractor's stock reports and movements in inventory, including any rations disposed of.

20. OIOS concluded that the Mission had adequate procedures in place for ensuring imported rations were used exclusively for UNMISS purposes.

B. Quality control and stock management

The Mission was monitoring strategic rations and operational reserves

21. OIOS confirmed, to ensure uninterrupted provision of rations, the contractor was generally maintaining the required levels of strategic and operational food rations for 15,500 uniformed personnel for 42 and 28 days, respectively. Adequate levels were also maintained during the COVID-19 crisis. While some shortfalls were noted throughout the period (pre and post COVID-19) this was mainly due to rations:

being rejected for non-compliance with the United Nations rations standards; lost in road accidents of delivery trucks and being delayed in clearing them through customs. The Mission claimed and received performance credits totaling \$461,730 for identified shortfalls.

22. The contractor was also generally maintaining the required supply of 14 days of CRPs and 5 days of bottled water at contingent locations. Some shortfalls were noted at two contingent sites, which was due to delivery problems related to poor road infrastructure and limited flights to the sectors. However, the Mission Support Centre was taking action to address these logistical challenges through improved coordination to ensure flights needed for delivery of rations are properly planned for.

23. OIOS concluded that adequate levels of rations were being maintained, and when shortfall were noted, appropriate action was being taken.

The Mission monitored the contractor's COVID-19 preparedness

24. UNMISS closely monitored the contractor's preparedness to overcome challenges imposed by the COVID-19 pandemic. For instance, UNMISS requested from the contractor daily, weekly, and monthly stock reports, as well as a 120-day visibility report to better monitor the rations supply chain status. COVID-19 preparedness was also discussed in contractor's monthly performance meetings with robust discussions and actions being implemented with a view to ensure uninterrupted supply of rations.

25. In June 2020, the contractor developed a COVID-19 contingency plan, which was monitored by UNMISS that included various actions to maintain its supply chain of rations such as: (i) enhancing levels of buffer stocks; (ii) alternative road and maritime routes of delivery; (iii) activation of air transportation; (iv) procurement of products from South Sudanese and regional suppliers; and (v) protective and preventive measures to minimize risks of staff contracting the virus. The contractor was also proactive in obtaining road and air transportation permits from the Government of the Republic of South Sudan High Level Task Force on COVID-19 that facilitated continued and timely rations supplies across the Mission during the crisis period.

UNMISS adequately monitored the contractor's quality control programme

26. The contractor had implemented a quality control programme that met the United Nations safety and quality standards. On a monthly basis, the Rations Unit assessed that quality measures were in place including pest control, adequate health, and hygiene practices, storing of food at the correct temperature, the recalling of poor-quality rations, and dealing with complaints. The Rations Unit and the contractor conducted joint inspections to verify the quantity and quality of rations received, rejected, or separated for further analysis if they did not conform to the required quality standards. For example, logs indicated that a shipment of 21 tons of poultry experienced temperature fluctuations during transit and subsequent tests confirmed the presence of microbiological contamination. The consignment was rejected and then disposed of.

27. Additionally, the Rations Unit checked and ensured the contractor had valid Food Safety Management System certificates issued by an accredited certification body. The current certificates were only valid until 19 June 2021. While the contractor had timely initiated the recertification process with the third-party auditor, which was planned for March 2020, this had to be suspended due to the travel restrictions imposed by COVID-19. At the time of audit, the Mission, contractor, and third-party auditor were discussing modalities to commence the recertification of the contractor.

28. OIOS concluded that adequate quality control measures were in place, and UNMISS was effective in monitoring compliance with the required standards.

Need to regularly conduct quarterly inspections at contingent facilities

29. To ensure food safety, quality assurance and adequate hygiene standards are maintained by contingents, the Rations Unit and Force Medical Team jointly conduct quarterly surveillance and hygiene inspections. OIOS review of 93 inspection reports for 29 contingents noted that their performance standards were largely within acceptable limits, but some improvements were needed. These included: management of the cold chain of rations stocks; conducting monthly hygiene self-assessments; and enhancing recordkeeping. Follow up joint inspections confirmed that the issues raised were being timely resolved.

30. However, during the audit period, only 206 (representing 48 per cent) of the required 425 inspections were conducted and for 38 of those conducted, the Force Medical Officer or representative was not in attendance. UNMISS informed that the shortfall in inspections was due to staffing constraints in the Force Medical Office. In OIOS view, it also was because the Rations Unit did not adequately plan and schedule the required inspections or consider reaching out and coordinating with other Mission components, particularly for assistance in remote locations. For instance, assistance could have been provided by the Contingent-Owned Equipment (COE) Unit during their periodic inspections of COE. Moreover, due to COVID-19 imposed movement restrictions, six contingents were conducting self-assessments, and this self-reporting could have been considered for those inspections that could not be conducted due to staff shortage.

31. Inadequate inspection of food storage facilities compounded by absence of a medical expert as part of the inspection team may adversely impact timely detection and correction of poor hygiene practices increasing health and safety risks.

(2) UNMISS should take action to ensure that food safety and hygiene inspections are regularly conducted at contingent locations to ensure food safety and hygiene standards are complied with.

UNMISS accepted recommendation 2 and stated that inspection templates have been developed to assist in the inspection process and that the Office of the Chief Medical and Force Medical Officer have nominated medical officers from each of the Sector Level II Hospitals to act as members of the joint inspections. The Rations Unit stated that it would ensure that regular inspections are conducted. Recommendation 2 remains open pending receipt of evidence that food safety and hygiene inspections are regularly conducted at all contingent locations.

UNMISS was taking action to witness and document the disposal of food rations

32. To avert health risks to the local population and mitigate potential environmental risks, UNMISS is required witness the disposal of expired or rejected food rations to ensure the contractor complies with local environmental laws and regulations.

33. During the audit period, there were 20 disposals of 201 tons of spoilt, expired, or damaged food valued at \$508,000 for which the contractor obtained disposal certificates from the host country's Department of Public Health. The Rations Unit approved all items disposed of and ensured disposal certificates were obtained. However, Rations Unit staff was not witnessing disposal actions, even prior to COVID-19 restrictions, to confirm that environmentally sound practices were implemented.

34. Based on OIOS suggestions, on 12 November and 16 December 2020, Rations Unit staff witnessed the disposal of rejected food items and properly documented the process. UNMISS also advised that they were committed to maintain physical presence at all future disposal activities, and based on this, OIOS did not make a recommendation.

C. Invoice processing

Rations invoices were processed timely

35. During the audit period, UNMISS made 459 payments totaling \$110 million for rations, transport of United Nations-owned rations, warehouse fees, refrigerated containers and contract mobilization fees. OIOS review of a sample of 93 payments valued at \$29 million showed that contractor invoices were verified and approved prior to payment. Invoices also properly reflected troop strength and weekly discounts and performance credits for delayed deliveries, ration substitutes and warehousing performance shortfalls, which OIOS estimated was about \$2 million for the audit period. OIOS concluded that adequate controls were in place for verifying invoices and ensuring that prompt payment discounts and credits were being received.

D. Contractor performance monitoring

Contractor performance monitoring was effective

36. The Rations Unit were conducting monthly performance meetings with the contractor covering topics such as: the level of reserves, quality of rations, warehouse management, substitutions of rations, operational efficiency, customer complaints, new host government regulations, COVID -19 preparedness and follow-up on implementation of issues raised in previous meetings. Moreover, the Rations Unit conducted five contractor performance evaluations based on their level of achievement of six key performance indicators, including for example, delivery of conformity of rations to the United Nations rations scale specifications and use of specialists. The contractor generally met the overall performance criteria, but some weaknesses were noted related to excess food substitutions, and occasional shortfalls in reserve and operational stock levels. These performance shortfalls were properly monitored, and the required performance credits were being received. OIOS concluded that the Mission had implemented adequate measures for monitoring the contractor's performance.

E. Mobilizations and demobilization of rations contracts

UNMISS effectively monitored the mobilization of the new contract

37. Through active monitoring by UNMISS and its assistance in the import of contractor equipment and materials, the contractor generally achieved the established mobilization milestones for the Juba, Wau and Malakal warehouses. Some delays were experienced in mobilizing these locations because of delays by UNMISS in installing the electrical and sanitation connections, and delays in import of equipment due to the slow customs clearance process. However, the milestones for the Bentiu warehouse had not been achieved. This was due to logistical challenges in delivering construction materials due to the prolonged rainy season and COVID-19 restrictions. As these conditions were not within the control of the contractor, on 30 July 2020, UNMISS amended the rations contract to extend the mobilization timeline for the Bentiu warehouse following the reopening of the Uganda border. The delays in mobilizing the Bentiu warehouse did not impact delivery of rations to contingents, as the contractor continued to use the same facilities from the previous contract that required to be expanded and renovated under the new contract.

IV. ACKNOWLEDGEMENT

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

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of rations management in the United Nations Mission in the Republic of South Sudan

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	UNMISS should strengthen controls over the food ordering process by validating final food orders against monthly troop strength reports submitted by the military and police components to ensure excess rations are not provided.	Important	O	Receipt of evidence that final food orders are adjusted based on troop strength numbers validated by the military and police personnel components.	31 December 2021
2	UNMISS should take action to ensure that food safety and hygiene inspections are regularly conducted at contingent locations to ensure food safety and hygiene standards are complied with.	Important	O	Receipt of evidence that food safety and hygiene inspections are regularly conducted at all contingent locations.	31 December 2021

² 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.

³ 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.

⁴ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁵ Date provided by UNMISS in response to recommendations.

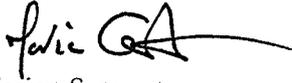
APPENDIX I

Management Response



Date: 6 May 2021

To: Ms. Eleanor T. Burns
Director
Internal Audit Division, OIOS

From: Maria Costa 
Director of Mission Support
UNMISS

Subject: **Comments on the Draft Report of the Audit of Rations Management in the United Nations Mission in the Republic of South Sudan (Assignment No. AP2020/633/09)**

1. UNMISS acknowledges receipt of the draft report referenced OIOS-2021-00506 and dated 23 April 2021, on the Audit of Rations Management.
2. Please find attached the Mission's comments on the recommendations as provided in Appendix 1.
3. Thank you for your consideration and support.

cc: Mr. Nicholas Haysom, Special Representative of the Secretary-General, UNMISS
Ms. Fatoumata Ndiaye, Under Secretary-General, Office of Internal Oversight Services
Mr. Matthew Carlton, Chief, Supply Chain Management Service, UNMISS
Mr. Timothy Crowley, Chief, Operations and Resource Management Service, UNMISS
Col. Mohammad Monir Hossain Patwary, Chief, Warehouse and Commodity Management Section, UNMISS
Mr. Ricardo Ramirez-Gaston, Chief, Budget and Finance Section, UNMISS
Ms. Elizabeth Gregory, Audit Focal Point, UNMISS
Mr. Jude Boateng, Chief Rations Officer, UNMISS

Management Response

Audit of rations management in the United Nations Mission in the Republic of South Sudan

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNMISS should strengthen controls over the food ordering process by validating final food orders against monthly troop strength reports submitted by the Military and Police components to ensure excess rations are not provided.	Important	Yes	Chief Rations Officer	31 December 2021	<p>As per policy and the requirements of the Electronic Rations Management System (ERMS), all Delivery Points (DPs)/Locations must submit Monthly Troop Strength Reports (TSR.) after receiving them from respective Commanding Officers/Officers Commanding (COs/OCs). The troop strength reconciliations are to be duly validated against the COE MOU and Force Headquarters Military Personnel office (U1) reports that are uploaded into the ERMS prior to the Final Food Order (FFO).</p> <p>To ensure strict compliance with the aforesaid policy and ERMS requirements, the Rations Unit (RU) has sent communication to the Chiefs of Staff for Force and UNPOL requesting that they emphasize to the COs to provide accurate troop strength numbers to be validated by Force and Police Headquarters before submitting these reports to RU. RU will work closely with the Force and Police Headquarters personnel in ensuring</p>

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 the United Nations Mission in the Republic of South Sudan

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						compliance with policy and operational requirements. Through this collaboration, a monitoring mechanism that will oversee the food ordering process at the Mission and thereby prevent excess rations will also be created and implemented.
2	UNMISS should take action to ensure that food safety and hygiene inspections are regularly conducted at contingent locations to ensure food safety and hygiene standards are complied with.	Important	Yes	Chief Rations Officer	31 December 2021	<p>UNMISS has developed templates to facilitate the inspections. These include: a) Quarterly RU FSQMS Inspection; b) Monthly Joint FHQ / RU Hygiene Inspection; c) Monthly Contingent Hygiene Inspection, and; d) COVID – 19 Virtual FSQMS Inspection Reports. To ensure accuracy and appropriate verification, RU has provided all contingents with self-assessment checklists. These are maintained by each DP and submitted to the RU for verification on a monthly basis.</p> <p>The Offices of the Chief Medical Officer and Force Medical Officer have nominated Medical Officers from each of the Sector Level II Hospitals to act as members of the joint inspections. The schedule of these inspections shall be communicated in a timely manner to nominated</p>

Management Response

Audit of rations management in the United Nations Mission in the Republic of South Sudan

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						personnel and the RU shall ensure inspections are conducted regularly.