



INTERNAL AUDIT DIVISION

REPORT 2021/010

Audit of demand and source planning in the United Nations Multidimensional Integrated Stabilization Mission in Mali

**The Mission needed to enhance the accuracy
and reliability of its demand, source and
delivery plans by cleansing inventory data in
Umoja and mitigating demand planning risks**

9 April 2021

Assignment No. AP2020-641-01

Audit of demand and source planning in the United Nations Multidimensional Integrated Stabilization Mission in Mali

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of demand and source planning in the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA). The objective of the audit was to assess the efficiency and effectiveness of the demand and source planning processes in MINUSMA. The audit covered the period from 1 January 2018 to 30 June 2020 and included a review of the adequacy of the process of developing demand and source plans and the effectiveness with which they are implemented.

The Mission implemented the Demand and Acquisition Planning tool, a web-based platform to capture and consolidate demand planning data in a structured manner with enhanced data integrity and visibility of requirements. The Mission, through integrated business planning, actively coordinated its supply chain planning activities and promoted collaboration among the Acquisition Management Section, technical sections, United Nations Global Service Centre and Global Procurement Support Section. However, MINUSMA needed to enhance the accuracy and reliability of its demand, source and delivery plans by improving the accuracy of inventory data in Umoja, which forms a significant basis for demand forecasting.

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

- Expedite the update of Umoja records with the results of inventory counts and correct all inventory records with wrong or duplicate product identification numbers;
- Enhance its identification and evaluation of the risks impacting the effectiveness of supply chain management and develop appropriate mitigation measures for those risks;
- Ensure that demand and source plans are prepared timely and used to drive the formulation of the Mission's results-based budget submissions; and
- Develop a comprehensive delivery plan to identify all shipments meeting criteria for consolidation and ensure consolidation of shipments along the same supply chain route for cost-effective transportation.

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

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Audit of demand and source planning in the United Nations Multidimensional Integrated Stabilization Mission in Mali

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of demand and source planning in the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA).

2. Effective supply chain management is an essential enabler for the Mission to carry out its mandated tasks. It involves a forward-looking demand and source planning process to determine how best to forecast and fulfill the Mission's requirements for goods and services in an efficient and timely manner. The requirements for all technical sections are aggregated to produce the gross demand plan, representing the total requirements for goods and services. Net demand plan is derived from the gross demand plan by incorporating the projected inventory holdings of goods. Source and delivery planning seek to meet the net demand plan in accordance with available sourcing options. The demand, source and delivery planning processes are governed by the Provisional Supply Chain Operational Guidance (SCOG), the Supply Chain Management Blueprint and various guidance and policy documents issued by the Department of Operational Support (DOS).

3. The MINUSMA Acquisition Management Section (AMS) is responsible for reviewing and consolidating inputs from all sections and submitting the consolidated demand plan to the United Nations Global Service Centre (UNGSC) for further review and development of a global demand plan. AMS has 10 approved posts comprising a Chief at the P-5 level who reports to the Chief, Supply Chain Management Service, five field service staff, one United Nations volunteer and three national staff.

4. MINUSMA developed its demand and source plans for 2018/19, 2019/20 and 2020/21 in the web-based Demand and Acquisition Planning (DAP) tool. Table 1 indicates demand and source plans for the audit period by sourcing option, while Table 2 shows the planned demand per technical sections.

Table 1: MINUSMA demand and source plans (amounts in millions of dollars)

Type of procurement	Financial year			Total
	2018/19	2019/20	2020/21	
New procurement	272.4	233.1	319.0	824.5
Global surplus and reserves	-	1.7	1.7	3.4
Existing systems contracts	183.0	144.5	142.4	469.9
Existing local contracts	21.4	24.4	14.0	59.8
Total	476.8	403.7	477.1	1,357.6

Table 2: MINUSMA demand and source plans by technical section (amounts in millions of dollars)

Technical Section	2018/19		2019/20		2020/21	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Aviation	192.2	40	135.3	34	146.5	31
Field Technology	33.6	7	34.2	9	81.0	17
Engineering and Facilities Management	96.0	20	77.4	19	84.2	17
Ground Transport	5.6	1	1.8	0	3.8	1
General Supply	116.6	25	106.7	26	13.6	3
Other goods and services	32.8	7	48.3	12	148.0	31
Total	476.8	100	403.7	100	477.1	100

Source: Reports provided by AMS

5. Comments provided by MINUSMA are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess the efficiency and effectiveness of the demand and source planning processes in MINUSMA.

7. This audit was included in the 2020 risk-based work plan of OIOS due to the operational and financial risks related to the demand and source planning function in fulfilling the Mission's requirements for goods and services.

8. OIOS conducted this audit from March to June 2020. The audit covered the period from 1 January 2018 to 30 June 2020. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the demand and source planning, which included a review of the adequacy of the process of developing demand and source plans and the effectiveness with which they are implemented.

9. The audit methodology included: (a) interviews of key Mission personnel, (b) review of relevant documentation, (c) analytical review of data, and (d) sample testing of demand and source plans on a judgmental basis.

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

III. AUDIT RESULTS

A. Adequacy of demand and source planning

Need to improve demand planning

11. MINUSMA demand and source plans during the audit period included requirements of all technical sections of the Mission for the upcoming year. However, the Mission did not undertake the required process of using the underlying data in Umoja to develop a gross demand plan based on forecasted operational requirements, historical demand and consumption patterns and other quantitative and qualitative analyses. It also did not adjust the gross demand plan with the projected inventory holdings¹, to determine net demand plan, on which the source plan would be based.

12. While some technical sections attempted to use their experience and situational awareness to interpret demand drivers, this was not done consistently, leading to inaccurate demand plans. For example, the Life Support Section anticipated the additional resources needed to support the planned increase of force and police operations in the central region of Mali and increased its planned expenditure on fuel and rations from \$102 million in 2019/20 to \$109 million in 2020/21, and the Transport Section factored in the aging vehicle fleet and bad road conditions in estimating its requirements. However, the 2019/20 demand plan did not capture requirements for camp security and threat detection systems totaling \$33.7 million, as MINUSMA had not considered the reallocation of the cost center to the Mission from the Office of Information and Communication Technology. Moreover, the gross demand plans were not adequately

¹ The projected inventory holdings are derived from current inventory at the time of preparing the demand plan, estimated consumption until the end of the financial year and any other planned movements in inventory such as ongoing procurement, goods in transit and goods requiring return or write off.

adjusted with the inventory holdings in arriving at the net demand plans. As of 1 March 2021, stock valued at \$19.2 million out of a total holding of \$80.3 million (24 per cent) had not moved for more than 365 days, implying excess stocks were being held.

13. The above occurred because staff responsible for demand planning were not sufficiently guided and trained as AMS had operated without a section chief since its establishment in 2017 until the recruitment of a chief in January 2020. Also, the Mission had not fully implemented the centralized warehouse concept to improve inventory management as reported in the audit of centralized warehousing operations (report 2019/135, dated 20 December 2019). These issues were exacerbated by the inaccurate data in Umoja, as described below.

14. The Mission was in the process of implementing Umoja Extension 2. In readiness for implementation, the Mission started providing training to staff in technical sections on demand and supply network planning in August 2020. As at 31 December 2020, MINUSMA had trained 37 staff including demand planning focal points on using the supply network planning module. Also, AMS since July 2020, has started holding monthly integrated business planning (IBP) meetings with technical sections to exchange information to enhance the demand planning process. Due to the actions being taken, OIOS is not making a recommendation on this issue.

Need to enhance the accuracy of inventory data in Umoja

15. The accuracy of the net demand plan is dependent on accurate inventory records, which are needed to forecast inventory holdings based on, among others, current holdings of inventory and consumption rates. OIOS audit of centralized warehousing operations (mentioned above) had reported sizable discrepancies between physical quantities and those recorded in Umoja. A follow-up sample review of 465 expendable line items showed that inventory data in Umoja was still inaccurate, incomplete and unreliable. Fifty-eight of the items selected for testing could not be located and discrepancies were identified for 235 items. Additionally, there were items with multiple product identification numbers (PIDs) and different items assigned same PIDs, making it impossible to conduct and maintain adequate inventory records and prepare demand and source plans at the required level of accuracy and granularity. Management explained that for 2019/20, 97 per cent of the \$70 million inventory had been counted, and the results were being reconciled with Umoja records at the time of writing this report. Ineffective supervision and quality control mechanisms were impacting inventory recording and management.

16. Additionally, the Supply Chain Management Blueprint required the Mission to identify and evaluate all key supply chain management risks. While the Mission's overall risk register identified risks relevant to the effectiveness of supply chain management together with their mitigating measures, there was no specific risk register on the supply chain, and therefore, all relevant risks were not identified and appropriate treatment plans put in place. For example, the risk of disruptions to main supply routes due to security issues was highlighted, with mitigating actions including use of alternate routes in neighboring countries, airlifting of goods and maintenance of sufficient strategic reserves. Yet other key risks such as the inaccurate inventory data in Umoja were missing.

17. This was mainly due to lack of attention to risk management by the Supply Chain Management Service, as well as inadequate coordination with the Risk Management and Compliance Unit to ensure all key risks potentially impacting the effectiveness of supply chain management, including demand and source planning, are identified and evaluated. Also, there was inadequate awareness of the need to systematically consider risks facing its operations, as already reported in OIOS audit of enterprise risk management in MINUSMA (report 2019/109, dated 15 November 2019).

- (1) MINUSMA should: (a) expedite the update of Umoja records with the results of inventory counts and correct all inventory records with wrong or duplicate product identification numbers to support reliable demand and source planning; and (b) implement effective supervision and quality control mechanisms to ensure accurate inventory data is maintained.**

MINUSMA accepted recommendation 1 and stated that the Mission had met its key performance indicator (KPI) target of 100 per cent count of inventory at the end of 2019/20 and would ensure that this KPI is met every year. Furthermore, during receipt and inspection of items from vendors, the Centralized Warehouse Section ensures that cases of wrong PIDs are flagged and reported to both procurement and the technical section for correction before the items are received into the system. Recommendation 1 remains open pending receipt of evidence that the results of physical verification for 2019/20 have been reconciled with Umoja records and adequate quality control mechanisms are implemented to ensure data remains accurate.

- (2) MINUSMA should enhance its identification and evaluation of the risks impacting the effectiveness of supply chain management and develop appropriate mitigation measures for those risks.**

MINUSMA accepted recommendation 2 and stated that a Mission-wide risk register, which captured risks associated with Supply chain functions, already existed and was under review and that during the review, supply chain management risks would be reviewed in line with this recommendation. Recommendation 2 remains open pending receipt of evidence that the Mission has conducted a comprehensive assessment of risks impacting the effectiveness of supply chain management and developed appropriate mitigation measures for those risks.

Need for results-based budgets to be driven by the demand and source plans

18. Timely and accurate demand and source plans should enable the Mission to formulate realistic budgets that adequately support achievement of the Mission's mandated operations. However, the Mission's demand and source plans for the three years reviewed were not used to prepare their budget submissions. Instead, the budgets were prepared earlier and used as a basis to prepare the demand and source plans. Therefore, since the appropriate steps were not considered such as already available inventory, the budgets did not always accurately reflect the required needs of the Mission.

19. The above mainly occurred due to the absence of the Chief AMS (as referred to above) to properly guide and train technical sections on the process to follow, including that demand and source plans were the basis for developing budget proposals. The issue was compounded by the fact that for the years reviewed, the timelines provided by the Department of Management Strategy, Policy and Compliance and DOS required budget proposals to be submitted earlier than the demand plan, in October and November respectively.

20. In September 2020, the Office of Supply Chain Management, DOS required MINUSMA to synchronize the supply chain planning process for 2021/22 with the budget formulation process in order to align identified requirements with budget proposals. Despite this, interviews with chiefs of technical sections informed OIOS that the information from budget proposals was still the primary source for populating the demand and source plan for 2021/22.

- (3) MINUSMA should take action to ensure that demand and source plans are prepared timely and used to drive the formulation of the Mission's results-based budget submissions.**

MINUSMA accepted recommendation 3 and stated that the demand plan/supply network planning module which would feed into the budget planning and consolidation module would be implemented between September 2021 and April 2022. Recommendation 3 remains open pending receipt of evidence that demand and source plans are prepared timely and used in the formulation of the Mission's results-based budget submissions.

B. Effectiveness of demand and source planning

MINUSMA took effective steps to fulfill its requirements

21. During the audit period, the Mission had effectively implemented its demand and source plans as described below.

a) A significant proportion of the items on demand plans were acquired

22. The Mission purchased the items planned for the implementation of mandated activities as shown in Table 3. The Table shows a relatively lower implementation rate for 2019/20 because some materials included in the demand and source plan were already in stock. This included engineering and general supply materials such as windowpanes, spares for wastewater treatment plants and office equipment. These partly offset the excess stock levels mentioned above.

Table 3: Implementation of the demand and source plan (amounts in millions of dollars)

Financial Year	Amount planned	Amount purchased	Per cent purchased
2019/20	403.7	356.7	88
2018/19	476.8	459.0	96
Total	880.5	815.7	

Source: Reports provided by AMS

23. The Mission was not adequately managing the implementation of demand plans until July 2020, when the Mission developed a dashboard to monitor and analyze actual expenditure against planned acquisitions. This was done quarterly and in consultation with technical sections. For example, during the quarter ended 30 September 2020, the Engineering Section spent \$11.8 million of the planned \$59.4 million (20 per cent). Analysis by AMS in collaboration with the technical section indicated that the underspending resulted from deferment of expenditure to the following quarter because the project documentation was under review by UNGSC. Actions were taken to raise shopping carts in the following quarter. Such analysis of deviations is a good practice, as it assists the Mission in enhancing the reliability and accuracy of demand forecasting in a continuous manner.

b) The Mission ensured timely procurement of strategic goods and services

24. To streamline procurement across the Secretariat, certain goods and services have been classified as strategic. MINUSMA has unlimited delegation of authority to undertake procurement of strategic goods and services using systems contracts. When no systems contract exists, or an existing systems contract does not fully meet the operational requirements, the Mission may request a local procurement authority (LPA) from UNGSC and the Procurement Division, which should be granted within 11 days according to the Procurement Manual.

25. During the audit period, the Mission requested LPA for: (i) the provision of ramp and air operations services at various airfields in Mali, and (ii) security guard services. Granting of LPA for these services was delayed by 171 and 37 days, respectively. As a result, the Mission extended its previous contract for

the security guard services to minimize the impact on its security operations. However, because of the delayed LPA, the Aviation Section, due to the much-needed work at its airfields, had to hire and manage 55 international individual contractors, which considerably increased the Section's workload. MINUSMA informed OIOS that due to improvements made in Mission-level supply chain planning, requirements for strategic goods and services would be determined comprehensively during demand and source planning to avoid future ad-hoc LPA requests. OIOS reviewed the minutes of supply chain planning meetings which evidenced that close attention was being made to planning and approval of procurement of strategic goods and services. Based on this, OIOS did not make a recommendation on this issue.

c) The Mission was monitoring optimal utilization of systems contracts

26. To achieve organisation-wide efficiency and effectiveness through better pricing and economies of scale, MINUSMA is required to utilize systems contracts. A review of demand and source plans indicated that in some instances although systems contracts existed for the required goods, the Mission planned to procure them locally. On discussion, this was mainly due to difficulties of utilizing systems contracts that entailed longer lead time for delivery from overseas and domestic distribution. For example:

- In November 2019, the Transport Section requested approval for local procurement of tyres and batteries in Bamako as the lead time for them to be purchased through systems contracts with sea shipment mode was between 8 to 18 months; and
- In April 2020, the Disarmament, Demobilization and Reintegration-Security Sector Reforms Section requested approval for local procurement for tents because they were urgently required to respond to the COVID-19 pandemic. The delivery period under the systems contract was 30 to 90 days, and there were doubts that this timeline would be achieved due to uncertainty over border closures. The locally available tents were also approximately \$3,800 cheaper.

27. When local procurement was used, requisitioners submitted written justifications, which were approved by the Director of Mission Support.

28. From January 2019, the Mission started monitoring quarterly, a KPI on the utilization of long-term/system contracts compared with stand-alone purchase orders. For 2019, there was a 10 per cent reduction in the number of stand-alone purchase orders. As the Mission justified the use of local procurement and was monitoring its KPIs to increase utilization of existing systems contracts, OIOS did not make a recommendation on this issue.

d) The Mission had adequate arrangements to consider and source materials from global surplus and strategic reserves

29. OIOS review of demand and source plans for the three years under review noted that the Clearing House in UNGSC reviewed the plans and advised the Mission on which materials were available in strategic deployment stock, United Nations reserves and global surplus. Relevant information was also available on a DOS website to enable the Mission to check the availability of required materials and make necessary requests.

30. The Mission sourced from strategic deployment stock, reserves and global surplus whenever available stocks met its operational requirements. For example, in January 2020 the Mission sourced one fuel truck and seven pickup trucks from global surplus, and also received assorted goods from UNGSC and other missions (Afghanistan, Haiti and Sudan), which included 8 minibuses, 254 modular unit prefabs, 143 computer laptops and assorted vehicle spares. However, when the available stocks did not meet the Mission's operational requirements, as in the case of 20 light towers and generators with an estimated cost of \$243,879, these goods were not requested, and instead were sourced through a new procurement exercise.

OIOS concluded that the Mission had adequate arrangements to consider and source materials from global surplus and reserves.

MINUSMA was active in delivering necessary supplies to respond to the COVID-19 crisis

31. Following the outbreak of COVID-19 in March 2020, the Mission established a task force on logistics responsible for sourcing and distributing materials to Mission personnel and to the Government of Mali. Operating under the oversight of the Crisis Management Team, the task force held regular meetings to plan and respond to the pandemic. The task force in consultation with regional offices identified the need for disposable and washable masks, hand sanitizers and thermometers to support the Government and to meet the Mission's needs. Sourcing action commenced promptly, and the task force identified alternate supply routes to avoid security threats on the Mission's main supply routes. Local procurement was also used to the extent possible to avoid delays.

32. OIOS concluded that MINUSMA was active in sourcing and delivering necessary supplies to fight against the COVID-19 pandemic.

The Mission was holding IBP meetings

33. The Mission held monthly global IBP meetings with representatives at appropriate levels from UNGSC, the Global Procurement Support Section and the Office of Supply Chain Management. These meetings provided a forum for better decision making through a common understanding of supply chain requirements, issues and priorities among relevant stakeholders. A review of the minutes of these meetings noted key issues were discussed and followed up on. This included, for instance, results of review of MINUSMA demand and source plans, updates on high priority projects, and its contract performance management.

34. AMS held five local IBP meetings since the commencement of SCOG in January 2019 to June 2020. At these local IBP meetings, important supply chain issues were discussed such as the need to expediate data cleansing for more accurate demand forecasts and for AMS to consult technical sections before raising shopping carts to avoid procuring goods already in stock. To improve its planning, in July 2020, AMS assigned an acquisition planning officer to each technical section as a focal point and started convening monthly IBP meetings with technical sections to address issues such as the status of implementation of the demand and source plans and pending requirements being procured. A template was designed for documenting meeting deliberations including agreed action plans and timelines. Based on actions taken, OIOS concluded that MINUSMA had improved oversight of its implementation of its demand and source planning.

Need to develop a comprehensive delivery plan and consolidate shipments to achieve cost-effective transportation of goods

35. The Mission is required to identify efficiency and cost-saving opportunities as much as possible during delivery planning, including consolidating shipments along the same supply chain routes or using the same carrier when the vendors are located in the same region and planned delivery dates from these vendors are within seven days.

36. A review of a sample of 100 purchase orders indicated that in all cases goods procured were not consolidated and shipped using the same carrier despite the vendors being within the same region and the planned delivery dates within seven days. For example, during 2018/19, 29 boxes of networking equipment and one box of pelican cases were supplied by two vendors based in the same country. The delivery dates of the goods were 24 December 2018 and 31 December 2018 respectively. These could have been

consolidated and transported using the same carrier. This occurred because AMS had not developed a comprehensive delivery plan to identify shipments that meet criteria for consolidation to allow the Movement Control Section to consolidate shipments. As a result, the Mission missed an opportunity to save on transportation costs.

(4) MINUSMA should: (a) develop a comprehensive delivery plan to identify all shipments meeting criteria for consolidation; and (b) ensure consolidation of shipments along the same supply chain route for cost-effective transportation.

MINUSMA accepted recommendation 4 and stated that robust delivery planning would be initiated with the 2021/22 demand plan starting July 2021. Recommendation 4 remains open pending receipt of a comprehensive delivery plan to identify and consolidate all shipments meeting criteria for consolidation.

IV. ACKNOWLEDGEMENT

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

(Signed) Eleanor T. Burns
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Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of demand and source planning in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	MINUSMA should: (a) expedite the update of Umoja records with the results of inventory counts and correct all inventory records with wrong or duplicate product identification numbers to support reliable demand and source planning; and (b) implement effective supervision and quality control mechanisms to ensure accurate inventory data is maintained.	Important	O	Receipt of evidence that the results of physical verification for 2019/20 have been reconciled with Umoja records and adequate quality control mechanisms are implemented to ensure data remains accurate.	31 October 2021
2	MINUSMA should enhance its identification and evaluation of the risks impacting the effectiveness of supply chain management and develop appropriate mitigation measures for those risks.	Important	O	Receipt of evidence that the Mission has conducted a comprehensive assessment of risks impacting the effectiveness of supply chain management and developed appropriate mitigation measures for those risks.	30 July 2021
3	MINUSMA should take action to ensure that demand and source plans are prepared timely and used to drive the formulation of the Mission's results-based budget submissions.	Important	O	Receipt of evidence that demand and source plans are prepared timely and used in the formulation of the Mission's results-based budget submission.	30 September 2021
4	MINUSMA should: (a) develop a comprehensive delivery plan to identify all shipments meeting criteria for consolidation; and (b) ensure consolidation of shipments along the same supply chain route for cost-effective transportation.	Important	O	Receipt of a comprehensive delivery plan to identify and consolidate all shipments meeting criteria for consolidation.	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 MINUSMA in response to recommendations.

APPENDIX I

Management Response

Management Response

Audit of demand and source planning in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MINUSMA should: (a) expedite the update of Umoja records with the results of inventory counts and correct all inventory records with wrong or duplicate product identification numbers to support reliable demand and source planning; and (b) implement effective supervision and quality control mechanisms to ensure accurate inventory data is maintained.	Important	Yes	Chief Warehouse Section	31 October 2021	<p>The Mission concurs with the recommendation. The recommendation is under implementation. Update of Umoja records with inventory counts and correction of all inventory records are mandatory downstream routine operational supply chain management processes carried out throughout the financial year. This is already in motion as all counts records are updated in the UMOJA system immediately after the count.</p> <p>As part of the counting and control processes and physical verification, any product identification discrepancies are rectified promptly. The Key Performance Indicator (KPI) target for the 100% inventory count is by the end of the financial year (30 June 2021). Note that the year-end financial KPI for 2020 was met at the operational level; Inventory counts are among the Warehouse Operations KPIs. The Warehouse has put in place the necessary arrangement to comply.</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 demand and source planning in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						Last Financial Year (FY), the Mission met the inventory count KPI threshold. The Mission will ensure that this KPI is met every year. Furthermore, during Receipt and Inspection of items from vendors, the Warehouse provides that cases of wrong Product Identifications (PID), e.g., giving an item that is supposed to be non-serialized a PID that requires it to be serialized and vice versa, are flagged and reported to both procurement and the technical Sections for correction before the items are received in the system.
2	MINUSMA should enhance its identification and evaluation of the risks impacting the effectiveness of supply chain management and develop appropriate mitigation measures for those risks.	Important	Yes	Chief Supply Chain	30 July 2021	The Mission concurs with the recommendation. This is one of the priority areas for the Supply Chain in the third quarter. A Mission wide risk register already exists, which captured risks associated with Supply chain functions. The ongoing review of the mission register with a dateline of 30 th June 2021 provides an opportunity for Supply Chain to review its risks in line with this recommendation.
3	MINUSMA should take action to ensure that demand and source plans are prepared timely and used to drive the formulation of the Mission's results-based budget submissions.	Important	Yes	Chief Acquisition Management Section (CAMS).	30 September 2021	MINUSMA agrees with the recommendation. The Demand Plan/Supply Network Planning (DPSNP) (UMOJA Planning Module, which directly feeds budget submission will be rolled out to all peacekeeping Missions

Management Response

Audit of demand and source planning in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						The DPSNP rollout is scheduled for SEP 2021 – APR 2022 - Full deployment to Peace Keeping Missions (PKMs). This planning tool in UMOJA feeds into the Budget Planning and Consolidation module (BCP.).
4	MINUSMA should: (a) develop a comprehensive delivery plan to identify all shipments meeting criteria for consolidation; and (b) ensure consolidation of shipments along the same supply chain route for cost-effective transportation.	Important	Yes	Chief Acquisition Management Section CAMS	31 December 2021	The Mission concurs with the recommendation. The planning and consolidation of shipments is an Acquisition Management Section (AMS) activity. MINUSMA accepts that shipments' consolidation at the planning stage (delivery planning) is yet to be initiated at the Mission. MINUSMA anticipates that it will undertake robust delivery planning alongside the 2021/2022 demand plan starting July 2021.