



INTERNAL AUDIT DIVISION

REPORT 2021/068

Audit of demand and source planning in the United Nations Mission in the Republic of South Sudan

**The Mission needed to improve its demand,
source and delivery planning processes to
ensure cost-effective procurement and timely
delivery of goods and services**

**17 December 2021
Assignment No. AP2020-633-01**

Audit of demand and source planning in the United Nations Mission in the Republic of South Sudan

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of demand and source planning 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 UNMISS demand, source and delivery planning processes. The audit covered the period from July 2018 to June 2021 and included demand planning, source planning, delivery planning and risk management and performance management.

The Mission needed to improve its demand, source and delivery planning processes to ensure cost-effective procurement and timely delivery of goods and services.

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

- Develop accurate demand plans that fully take into consideration inventory holdings and expected changes to operational requirements, and increase efforts to identify excess inventory and those at risk of becoming obsolete so that they can be declared surplus for use elsewhere;
- Strengthen the demand planning review process to ensure submissions to the United Nations Global Service Centre are accurate and complete;
- Initiate the procurement process for all local contracts for goods and services with continuing demand to avoid the excessive use of low-value acquisitions and ensure economies of scale; and
- Utilize the Office of Supply Chain Management dashboards for improved performance monitoring and implement measures to ensure inaccuracies and open transactions are dealt with timeously.

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

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Audit of demand and source planning 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 demand and source planning in the United Nations Mission in the Republic of South Sudan (UNMISS).

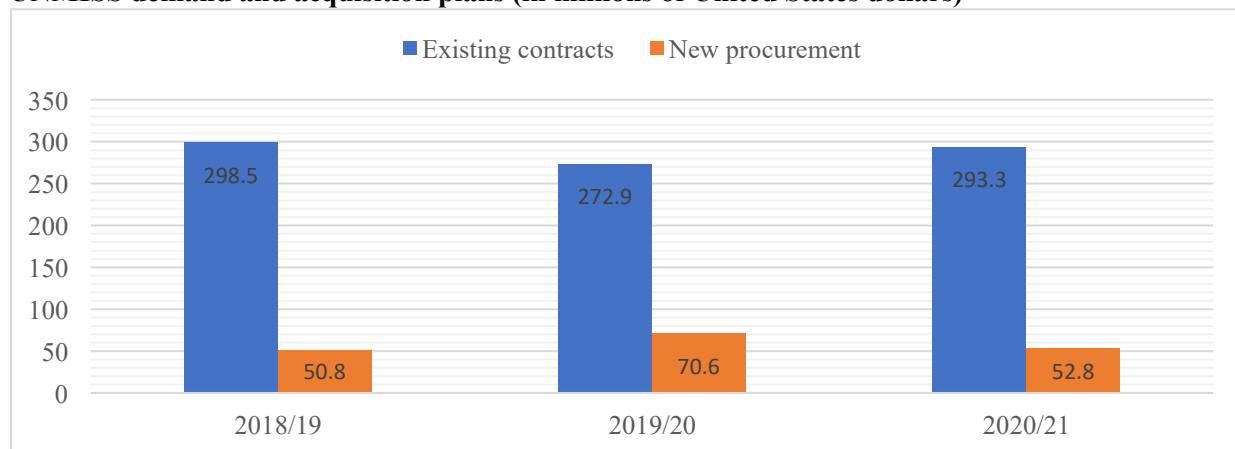
2. Supply chain planning is a forward-looking process of determining how to best identify and fulfill missions' requirements for goods and services. It is an integrated cross-functional process where planning activities are conducted continuously in a coordinated and structured manner, with the aim to anticipate and meet missions' requirements through demand planning and forecasting, identifying appropriate sourcing options and delivering needed goods and services in an efficient and timely manner.

3. Guidance for supply chain activities includes: SCM Blueprint; provisional Supply Chain Operational Guidance; standard operating procedures for global supply chain; and various instructions and memoranda issued by the Department of Operational Support (DOS) at the United Nations Headquarters. The Demand and Acquisition Planning (DAP) tool is currently the primary tool used by field missions to record their demand for goods and services. However, Umoja Extension 2 supply chain planning functionality, known as the new supply chain planning tool (SCPT) has been rolled out, with UNMISS staff being trained on its use. This should enable the demand planning process to be conducted within a single system that applies historical data and forecasting models and to provide planners with instant visibility of available stocks and inventory in the pipeline.

4. UNMISS sourced its requirements through existing systems and local contracts and where necessary new procurement sources. The Mission's demand and acquisition plans developed in the DAP tool by sourcing option for 2018/19, 2019/20 and 2020/21 are shown in Chart 1.

Chart 1

UNMISS demand and acquisition plans (in millions of United States dollars)



Source: UNMISS DAP tool

5. Planning for acquisition of goods and services in UNMISS is coordinated by the Acquisition and Requisition Unit (ARU) of the Property and Acquisition Management Section of the Supply Chain Management Service (SCMS). ARU is responsible for reviewing and consolidating inputs from technical

sections and submitting the Mission's consolidated demand plan to the United Nations Global Service Centre (UNGSC) in Brindisi. The Unit is comprised of two cells, i.e., the Demand Planning Cell and the Requisitions Cell, and is headed by a Chief at the P-4 level, who reports directly to the Chief, SCMS. For 2020/21, ARU had eight approved posts comprising six international and one national staff, and one United Nations volunteer.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess the efficiency and effectiveness of UNMISS demand, source and delivery planning processes.

7. This audit was included in the 2021 risk-based work plan of OIOS due to the financial and operational risks related to the Mission's demand, source and delivery planning processes.

8. OIOS conducted this audit from March to October 2021. The audit covered the period from July 2018 to June 2021. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in demand and source planning activities, which included: demand, source and delivery planning and risk management and performance management.

9. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; (d) testing of all 2,209 demand plan line items, 2,095 shopping carts, 1,468 purchase orders, 23 global and 12 local integrated business planning meeting minutes, 106 change request forms, 136 action grids, 168 systems contracts and 85 local contracts, 1,777 inbound deliveries and 434 quarterly contractor performance reports.

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

III. AUDIT RESULTS

A Demand planning

There was a need for the Mission to improve its demand planning to better forecast requirements and reduce the build-up of inventory levels

11. To ensure delivery of goods and services needed to fulfill missions' mandates, DOS guidelines recommended missions to develop their gross demand plan on forecasted operational requirements in the next fiscal year and based on adequate analyses of historical consumption patterns. The net demand plan is derived from the gross demand plan by incorporating the projected inventory holdings¹.

12. OIOS review of the Mission's demand plans noted that the process for developing the plans could be improved. This is because the 2018/19 and 2019/20 plans included items costing \$80.1 million and \$75 million that were never purchased. This was a high proportion of the demand plans, which were \$349.3 million and \$343.5 million for 2018/19 and 2019/20, respectively. Moreover, in the same years,

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.

the Mission had to purchase items worth \$74.3 million and \$12.7 million that were not included in the plans because of changes in operational requirements. The following was also noted.

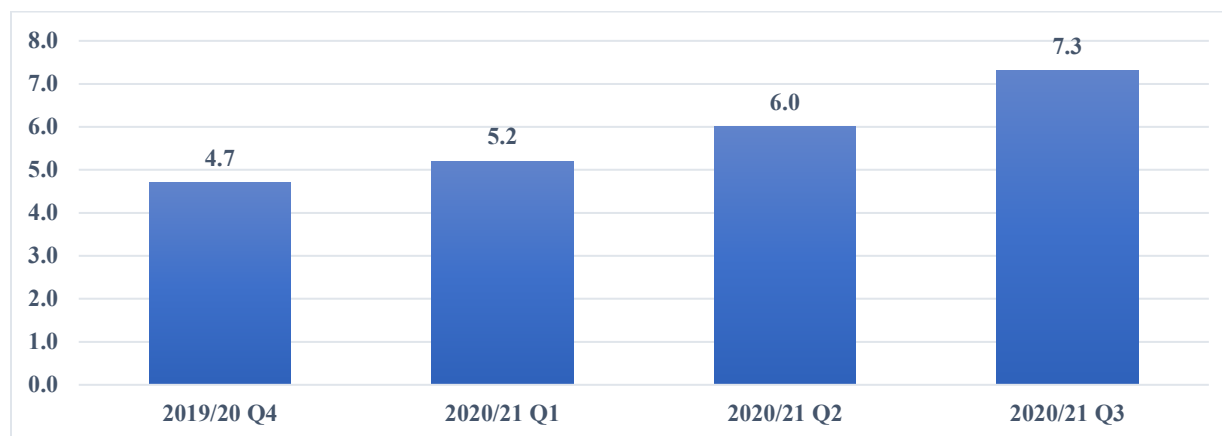
(a) High level of inventory and slow-moving items

13. While UNMISS technical sections were analyzing their inventory historical consumption patterns as part of the planning process, consideration was not given to its existing stockholdings, goods in transit, and open purchase orders. The absence of this resulted in planning for and sometimes procuring goods not required. For instance, as of 31 March 2021, Umoja records showed that UNMISS inventory totaled \$51.5 million and included \$24.6 million classified as dead stock². Also, based on current usage, OIOS analysis of the Mission's stock coverage³ as of 31 March 2021 showed that items such as chains, cables, clothing accessories and printer paper valued at \$4.1 million were sufficient for 4 to 10 years, and items such as folders/binders and disposable kitchenware for between 10 to 16 years. Despite this, the Mission included these items in its 2021/22 demand plan.

14. Chart 3 shows the progressive increase of inventory, with the composition of slow-moving inventory steadily increasing from quarter to quarter. For instance, it increased from 9 per cent (\$4.7 million) in June 2020 to 22 per cent (\$7.3 million) in March 2021. Moreover, within these inventory levels there were items held for prolonged periods such as prepared food, medical products and IT equipment totaling \$2.2 million. These items could expire or become obsolete and deteriorate in storage, as often UNMISS held such items in sea containers that were not temperature controlled.

Chart 3

**UNMISS slow-moving inventory for the period 30 June 2020 to 31 March 2021
(in millions of United States dollars)**



Source: UNMISS Asset Management Unit

15. UNMISS management was taking action to alert technical sections to reduce the practice of overstocking and were reminding them as part of the Property and Inventory Management Section and the Asset Management Unit quarterly monitoring and reporting exercises. However, despite these efforts, the inventory levels as of 31 March 2021 only decreased by 7 per cent compared to inventory levels of the previous quarter. Therefore, there was a need for technical sections to conduct thorough inspections of their inventory holdings to identify excess or obsolete stock, and for the Office of the Director of

² Slow-moving inventory is inventory held at the Mission's warehouses for more than one year without issuance.

³ Stock coverage informs how long (in terms of days) that current inventory holdings can satisfy demand. It is calculated by taking the stock quantity at the end of the reporting period and dividing it by the average usage during the same period.

Mission Support to ensure demand planning and thus future procurement of goods adequately consider the Mission inventory levels.

16. Technical sections explained that because of the prolonged period it took for items to be procured and delivered to the Mission, excess stocks were sometimes maintained to avoid stock outs. While acknowledging the Mission's need to maintain a certain level of safety stocks due to prolonged delivery periods, it did not fully explain the high amounts of unutilized inventory holdings, which was using valuable storage space at Mission warehouses and increasing the risk of loss through wastage.

(b) Clean-up of inventory records

17. One of the key elements that facilitates accurate demand planning is the reliability and accuracy of UNMISS inventory holdings.

18. The decommissioning of Galileo and transfer of inventory data to Umoja resulted in data inaccuracies due to the generation of wrong or generic product identification numbers (PIDs). Generic PIDs only have a general description without details such as size, capacity and model and could lead to the selection of incorrect materials and does not allow full transparency of actual goods in stock. Several actions were taken by UNMISS to improve the accuracy of its inventory data, with efforts still ongoing. Currently though, UNMISS continued to use generic PIDs as part of the procurement process (in raising shopping carts and purchase orders). For example: (a) for 2018/19, of the shopping carts raised for 10,181-line items, 666 were with generic or un-fit PIDs; (b) for 2019/20, the number was 630-line items; and (c) for 2020/21 it was 474-line items. Although there was an established process to request for correct PIDs from the Office of Supply Chain Management (OSCM), this process was not systematically followed. Technical sections explained that frequent changes to the large number of PIDs of items (currently at 170,000) coupled with the need to initiate the procurement process for urgently needed items contributed to the use of generic PIDs.

19. While progress has been made by the Mission, until the use of generic PIDs and un-fit PIDs are discontinued, it will have an impact on the accuracy of the demand planning process and does not ensure full visibility of inventory items.

20. For future demand planning, UNMISS explained that the introduction of SCPT will facilitate a more flexible process, with necessary information being drawn from several data sources that will enable technical sections to better project its stockholdings. However, UNMISS: (a) was still in the process of training its personnel on the use of SCPT; (b) had not finalized the encoding of its demand data into SCPT, which was due to be submitted for review by OSCM in DOS by 30 October 2021; and (c) had not yet received the Supply Chain Planning Business Guidance from OSCM for the preparation of its plans for 2022/23. Until these processes are completed and SCPT is fully operational, technical sections still need to use current systems to ensure demand plans reflect projected stockholdings and evolving operational requirements.

21. In response to the preliminary results of the audit, UNMISS informed that the data cleansing exercise is an ongoing process. UNMISS also informed that: (a) the use of some generic and unfit PIDs were linked with global and regional system contracts and they could be discontinued once those contracts, administered by the Procurement Division, are reviewed and amended; (b) it is expected that the ongoing work of category managers and the Material Master Transformation project will result in many PIDs being updated/reviewed/created within the next year.

(1) UNMISS should take necessary action to: (a) develop accurate demand plans that fully take into consideration inventory holdings and expected changes to operational requirements; and (b) increase its efforts to identify excess inventory and those at risk of becoming obsolete so that they can be declared surplus for use elsewhere.

UNMISS accepted recommendation 1 and stated that the Medical Section conducts monthly and quarterly inventory consumption reviews of medical items and communicates with the medical clinics in field locations on existing stockholdings based on the current usage. In addition, technical sections would complete updates to their demand plans in SCPT to reflect historical consumption and changes to operational requirements, and review inventory stockholdings to identify obsolete stock and offer the same to other missions, or initiate write-off in the absence of uptake from other missions. Recommendation 1 remains open pending receipt of evidence that the Mission's demand plan is driven by adequate analysis based on operational requirements, and an effective mechanism has been implemented for timely identification of excess inventory that can be declared surplus for use elsewhere.

There was a need to enhance the review of the Mission's demand plans

22. Accurate and complete data in demand plans enables the Mission to make meaningful analysis for appropriate sourcing decisions. Demand plans are generally prepared by the Mission's technical sections and reviewed by ARU prior to consolidation and submission to UNGSC.

23. OIOS review of UNMISS 2020/21 demand plan noted that it was not always accurate or complete. For example: (a) 66 (9 per cent) line items valued at \$54.7 million did not contain PIDs, which included network security equipment, lubricants and oils, security and protection software, and communication services; (b) incoterms⁴ were not provided for 125 (16 per cent) line items valued at \$23.2 million, which increased the likelihood of delays in planning the delivery of such items; and (c) 70 (9 per cent) line items valued at \$13.8 million that required a new procurement action did not indicate when the goods were needed, which prevents planners from timely and adequately translating the demand plan into acquisition plans. There were similar omissions in the demand plans for 2018/19 and 2019/20, as well as for 2021/22.

24. UNGSC was conducting validation checks to correct the errors/omissions, including inaccurate classification of sourcing type in the demand plan. For instance, in its 2020/21 demand plan, UNMISS had indicated that new procurement actions were required to source 386-line items amounting to \$52.8 million. However, the OSCM review team identified the use or extension of existing systems or local contracts or strategic deployment stock to source 32-line items valued at \$2 million. While UNGSC implemented adequate validation checks, there is a need for UNMISS to better review its demand plans for accuracy and completeness prior to submission to UNGSC. In doing this, the overall demand planning exercise will be more efficient.

(2) UNMISS should strengthen the demand planning review process to ensure submissions to UNGSC are accurate and complete.

UNMISS accepted Recommendation 2 and stated that a more rigorous framework for reviewing demand plans would be adopted through SCPT, and personnel from technical sections would be

⁴ The incoterms or International Commercial Terms are a series of pre-defined commercial terms to determine the place/location where accountability for goods or services are transferred to the United Nations.

trained to continuously review demand plans and make necessary adjustments. Recommendation 2 remains open pending receipt of evidence of the adoption of a framework by the Mission for actioning and reviewing demand plans in the new SCPT.

The Mission started to hold regular local integrated business planning meetings

25. To ensure collaboration and information sharing, UNMISS established local integrated business planning (IBP) or benchmark meetings in 2019, which was comprised with staff responsible for requisitioning, acquisition planning, procurement, and movement control. These meetings, however, were suspended following the outbreak of COVID-19 and were not replaced by virtual meetings. The absence of a functioning local IBP meant that ARU was individually interacting with technical sections to discuss issues raised at global IBP meetings (arranged by UNGSC and OSCM) and to discuss other supply chain issues. In OIOS view, a coordinated approach would be more efficient, and this could be done by all those involved meeting periodically as was intended by the establishment of the local IBP meetings. Agenda items could include sharing of challenges faced in supply chain issues and how they are being resolved, as well as status up-dates on implementation of recommendations made in quarterly supply chain management performance reports, such as the high levels of inventory held by the Mission.

26. After the audit, UNMISS reinstated the benchmark meetings via a virtual platform with the last meeting held on 27 October 2021.

B. Source planning

Replacement contracts for goods and services with continuing demand were not established timely

27. As part of its demand and source planning, UNMISS is expected to use those systems contracts centrally established by the Procurement Division, DOS. However, due to delays by the Procurement Division in renewing and replacing systems contracts, an issue raised by OIOS in its audit of demand and source planning in the Secretariat (report 2020/059, dated 21 December 2020), UNMISS resorted to procuring some items locally, which was not always cost effective. For example, the expiration of a systems contract in August 2020 for medicines resulted in UNMISS using low-value acquisitions to meet requirements, and in April 2021, the Mission locally procured field defense stores⁵ while waiting for the systems contract to be finalized.

28. For items already planned to be procured locally and included in the 2020/21 demand plan, there were 272-line items totaling \$30.7 million. However, as of 30 April 2021, the Mission had not yet established contracts for 238-line items (88 per cent) totaling \$21.5 million. These included engineering equipment and machinery, accommodation, and safety and security equipment. There were also delays in renewing or replacing existing contracts, including the renewal of the mobile phone services contract in the current fiscal year by six months. Also, as of 30 April 2021: (a) more than 95 per cent of the gross not-to-exceed (NTE) amounts of 11 local contracts had been utilized, including 4 contracts for construction materials and mobile satellite services, which were fully utilized; and (b) 10 contracts had expired on 30 June 2021, and a further 6 contracts were due to expire by the end of October 2021 for items such as spare parts, water treatment chemicals, ground transportation and external training.

⁵ Field defense stores consist of items such as concertina wires, corrugated galvanized iron sheets, barbed and binding wires used to construct protective/defensive perimeter structures for Mission personnel.

29. Therefore, the Mission needs to initiate the procurement process in a timely manner to ensure goods and services are available from established contacts when required and to avoid excessive use of low-value acquisitions and to ensure economies of scale.

(3) UNMISS should, for those goods and services with continuing demand, initiate the procurement process in a timely manner including for those contracts that have expired or about to expire.

UNMISS accepted recommendation 3 and stated that the Engineering and Procurement Sections would undertake a review and renew all local contracts for goods and services with continuing demand. Recommendation 3 remains open pending receipt of evidence that a process has been established for the timely replacement of expiring contracts, and that contracts are valid for those goods and services required on a continuing basis.

C. Delivery planning

Delivery planning could be improved

30. Proper planning for the delivery of goods increases the likelihood that they will be received when required and more cost-effective transportation options are available such as consolidating shipments along the same supply routes. The Mission had not developed an annual delivery plan to identify, prioritize and aggregate the delivery of Mission requirements. Such a plan may improve the delivery times, result in economies of scale and have a positive impact on the environment.

31. The Mission explained that it experienced significant challenges and delays in the delivery of items to South Sudan due to government-imposed administrative requirements causing import bottlenecks, which was compounded by travel restrictions due to COVID-19. For example, for all 1,492 completed shipments during the audit period, it took an average of 87 days after the expected delivery date indicated in the purchase order to deliver goods to their incoterm location. UNMISS informed that senior leadership and United Nations Headquarters had engaged with relevant government officials which resulted in the release of over 300 containers from the government in September 2021.

32. While recognizing the constraints but noting that positive direction was being taken by the government in clearing and releasing goods, there are opportunities for the Mission to further consider aggregating deliveries based on analysis of historical data and improved demand planning. The Mission informed that acquisition plans were prepared by technical sections using the DAP tool after considering the data on historical delivery times. Large shipments such as prefabs, those that take longer to deliver, or life support goods were normally ordered during the first and second quarters. Those not in high demand were split in other quarters considering operational requirements and seasonality. The Mission also expected efficiencies from the new SCPT as it selects lead time from three tables: Base Lead Time, Delivery Lead Time for Planning, and Incoterm Location Lead Times for Planning. The tool introduced a new role “Material Master Data maintenance” to maintain and update lead times in Umoja. Based on this information, OIOS did not make a recommendation to improve its delivery planning.

33. The Mission was not regularly up-dating Umoja at the time goods were received. For example, the receipt of goods totaling \$1.5 million were recorded as still pending for an average of 271 days after they were delivered and gone through the receiving and inspection process. This was mainly because relevant section chiefs were not updating purchase order information in Umoja where: technical sections were

required to raise a service entry sheet to initiate the payment of related invoices; the Finance Section was required to arrange payments to the vendor; and the Procurement Section was required to liquidate the related purchase orders in Umoja. Delays in updating Umoja records for delivered items can result in inaccuracies in the Mission's projected stockholdings, which could have an impact on future demand planning requirements. It was OIOS opinion that additional training may be required for those responsible for ensuring Umoja records are updated in a timely manner for all items delivered. *The Mission was of the view that the issue of untimely Umoja recording was not due to the lack of training, and it had implemented monitoring activities by relevant end users and sections to ensure timely resolution of issues. However, the Mission will review and determine if further training is warranted.*

D. Risk management and performance management

Need to further enhance its risk management process for the supply chain process

34. UNMISS is required to implement a supply chain planning risk management process, properly communicate it to staff, and effectively train and consult staff on the process.

35. The Mission had a risk register that included risks related to its supply chain process such as inaccurate inventory data in Umoja and lengthy acquisition process. However, several key supply chain management risks were not included such as those directly related to COVID-19. This included, for example: (a) price increases of goods due to lack of availability in the local and international market; (b) delays in delivery of goods and services due to disruption of movements and border closures; and (c) use of generic PIDs. The absence of key supply chain management risks meant that the register did not identify the necessary mitigating measures to minimize their impact and such risks were not assigned risk owners and given responsibility to develop risk treatment plans. UNMISS informed that mitigating measures to deal with import challenges had been put in place including for fuel and rations through investment in increased storage capacity.

36. Supply chain management risks were discussed in the global IBP meetings, although this forum was insufficient for UNMISS to adequately manage the current and sometimes unique challenges it was facing. In OIOS view, considering the importance of supply chain management on ensuring effective delivery of the Mission's mandate, UNMISS needed to establish a more robust risk management framework to manage the related risks. A previous OIOS audit of enterprise risk management in UNMISS (report 2019/105, dated 11 November 2019) raised recommendations related to this, but were not yet implemented. However, OIOS noted that UNMISS had committed (memorandum from Under-Secretary-General for Management, Strategy, Policy and Compliance, dated 30 April 2021) to finalize its risk registers and risk treatment plans by no later than end of 2023. As work was in progress, no additional recommendation was made in this report.

The Mission needed to effectively monitor its supply chain performance

37. UNMISS is required to develop and implement a performance management framework to monitor and evaluate performance of its demand, source and delivery planning processes to ensure corrective action for deviations from planned benchmarks.

38. The Mission had not yet developed a performance management framework and key performance indicators (KPIs) to monitor its performance and identify areas for improvement. The Technical sections were not utilizing the OSCM available dashboards for which UNMISS performance was reported on a quarterly basis against Secretariat-wide KPIs relating to upstream and downstream delivery timeframes,

inventory utilization and data quality checks even though access had been granted. These dashboards provided a summary of results against the established KPIs, as well as areas of potential improvement, and recommendations by OSCM, DOS such as, the need to review physical inventory holdings to identify obsolete and/or excess goods and conduct granular review of transactions in Umoja to identify data inaccuracies.

39. However, the available quarterly supply chain management reports were not provided to technical sections and therefore, the recommendations made were not being implemented. This included the need to review: (a) inaccuracies in Umoja of incorrect (or absent) goods receipt dates; (b) inventory to identify excess or obsolete materials; and (c) open transactions in Umoja. For instance, as of 30 April 2021, the Mission had: (a) 403 goods receipts pending approval for an average of 105 days; (b) 16 inventory transfer orders pending approval for issuance of requested items for an average of 14 days; and (c) 29 inventory reservations pending approval for an average of 74 days.

40. After the audit, the Mission took action to close all transfer orders pending approval and was taking action to address the others. However, the lack of timely action on pending transactions meant that information available centrally was outdated. The Mission, therefore, needed to implement an effective system to ensure that data in Umoja is complete and up to date. This will enable improved planning of goods and service requirements.

(4) The UNMISS technical sections should utilize the Office of Supply Chain Management dashboards for improved performance monitoring and implement measures to ensure inaccuracies and open transactions are dealt with in a timely manner.

UNMISS accepted recommendation 4 and stated that the Office of the Chief of Service Delivery will communicate with technical sections to inform them on key data from the dashboard and would coordinate subsequent actions for implementation. Recommendation 4 remains open pending receipt of evidence that technical sections are using OSCM available dashboards for improved performance monitoring and that adequate measures have been implemented to ensure inaccuracies and open transactions in Umoja are dealt with in a timely manner.

IV. ACKNOWLEDGEMENT

41. 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 demand and source planning in the United Nations Mission in the Republic of South Sudan

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	C/ O ⁸	Actions needed to close recommendation	Implementation date ⁹
1	UNMISS should take necessary action to: (a) develop accurate demand plans that fully take into consideration inventory holdings and expected changes to operational requirements; and (b) increase its efforts to identify excess inventory and those at risk of becoming obsolete so that they can be declared surplus for use elsewhere.	Important	O	Receipt of evidence that the Mission's demand plan is driven by adequate analysis based on operational requirements, and an effective mechanism has been implemented for timely identification of excess inventory that can be declared surplus for use elsewhere.	30 December 2022
2	UNMISS should strengthen the demand planning review process to ensure submissions to UNGSC are accurate and complete.	Important	O	Receipt of evidence of the adoption of a framework by the Mission for actioning and reviewing demand plans in the new supply chain planning tool.	30 December 2022
3	UNMISS should, for those goods and services with continuing demand, initiate the procurement process in a timely manner including for those contracts that have expired or about to expire.	Important	O	Receipt of evidence that a process has been established for the timely replacement of expiring contracts, and that contracts are valid for those goods and services required on a continuing basis.	30 December 2022
4	The UNMISS technical sections should utilize the Office of Supply Chain Management dashboards for improved performance monitoring and implement measures to ensure inaccuracies and open transactions are dealt with in a timely manner.	Important	O	Receipt of evidence that technical sections are using OSCM available dashboards for improved performance monitoring and that adequate measures have been implemented to ensure inaccuracies and open transactions in Umoja are dealt with in a timely manner.	30 December 2022

⁶ 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.

⁷ 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.

⁸ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁹ Date provided by UNMISS in response to recommendations.

APPENDIX I

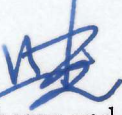
Management Response



Date: 14 December 2021

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

Through: Fatoumata Ndiaye
Under-Secretary-General for Internal Oversight
Services

From: Guang Cong 
Officer-In-Charge and Designated Official a. i.
United Nations Mission in the Republic of South
Sudan

Subject: **Management Response to the draft report of an Audit of Demand and Source
planning in the United Nations Mission in the Republic of South Sudan
(Assignment No. AP2020-633-01)**

1. UNMISS acknowledges receipt of the draft report from OIOS on the Audit of Demand and Source Planning dated 29 November 2021.
2. Please find attached the Management Response to the recommendations as indicated in Appendix I.
3. Thank you for your consideration and support.

cc: Mr. Nicholas Haysom, UNMISS
Ms. Maria Costa, UNMISS
Mr. Timothy Crowley, UNMISS
Mr. Matthew Carlton, UNMISS
Mr. Qazi Ullah, UNMISS
Mr. Ziad Diab, UNMISS
Mr. Ebenezer Aryee, UNMISS
Ms. Elizabeth Gregory, UNMISS

Management Response

Audit of demand and source planning 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 take necessary action to: (a) develop accurate demand plans that fully take into consideration inventory holdings and expected changes to operational requirements; and (b) increase its efforts to identify excess inventory and those at risk of becoming obsolete so that they can be declared surplus for use elsewhere.	Important	Yes	Chief, Service Delivery	30 December 2022	The Medical Section has already taken appropriate actions and established an adequate internal control mechanism through the conduct of monthly and quarterly inventory consumption reviews for medical items. The Medical Section also ensures proper communication with the medical clinics in the field locations about the existing stockholdings based on the current usage. Personnel of the technical sections will complete the updates to their demand plans in the new supply chain planning tool to reflect historical consumption and changes to operational requirements. Further, they will review inventory to identify obsolete stock and to offer the same to other missions, or to initiate write-off in the absence of any uptake from other missions.
2	UNMISS should strengthen the demand planning review process to ensure	Important	Yes	Chief, Service Delivery	30 December 2022	A more rigorous framework for reviewing demand plans will be

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 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
	submissions to United Nations Global Service Centre are accurate and complete.					adopted through the new supply chain planning tool. Personnel from the technical sections will be trained to continuously review demand plans and make adjustments.
3.	UNMISS should, for those goods and services needed on a continual basis, initiate the procurement process in a timely manner including for those contracts that have expired or about to expire.	Important	Yes	Chief, Engineering Section	30 December 2022	In coordination with the Procurement Section, the Engineering Section will undertake a review and renewal of all local systems contracts where there is continuing demand in order to provide alternate recourse to the use of LVAs.
4	The UNMISS technical sections should utilize the Office of Supply Chain Management dashboards for improved performance monitoring and implement measures to ensure inaccuracies and open transactions are dealt with in a timely manner.	Important	Yes	Chief, Service Delivery	30 December 2022	The Office of the Chief of Service Delivery will communicate with the technical sections to inform them on key data from the dashboard and will coordinate subsequent actions for implementation.