



INTERNAL AUDIT DIVISION

REPORT 2022/004

Audit of demand and source planning in the United Nations Organization Stabilization Mission in the Democratic Republic of Congo

**The Mission needed to develop data-driven
demand plans and monitor effectiveness of
the related processes**

**01 March 2022
Assignment No. AP2021-620-01**

Audit of demand and source planning in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of demand and source planning in the United Nations Organization Stabilization Mission in the Democratic Republic of Congo ((MONUSCO). The objective of the audit was to assess the efficiency and effectiveness of the MONUSCO demand, source and delivery planning process. The audit covered the period from July 2019 to March 2021 and included (a) demand planning; (b) source planning; (c) delivery planning; and (d) risk management and performance management.

MONUSCO used systems contracts in its source planning and had established supply-chain risk identification and mitigation measures. However, the Mission needed to develop data-driven demand plans, identify and declare surplus inventory and assets, and monitor effectiveness of the demand, acquisition and delivery planning process.

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

- Ensure the Acquisition Planning Cell adequately review demand plans to ensure variables affecting them are properly factored in including inventory holdings and purchase orders in the pipeline, as well as considering consumption trends and reduction in activities due to closure of locations;
- Review its inventory and asset holdings to avoid an accumulation of excess stocks and wherever possible declare them as such for potential transfer to other missions;
- Appropriately time the issuance of purchase orders, where feasible, to ensure that goods and services are received in accordance with the planned delivery quarter; and
- Develop and implement key performance indicators (KPIs) to analyse the effectiveness of its demand, acquisition and delivery plans; and improve the granularity of the plans to facilitate the measurement of KPIs.

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

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Audit of demand and source planning in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of demand and source planning in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO).

2. Supply chain planning is a forward-looking process of determining how best to 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. The demand and acquisition planning process is guided by the 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. MONUSCO established the Acquisition Planning Cell (APC) under the Supply Chain Management pillar responsible for: (a) reviewing the completeness of acquisition plans submitted by technical sections and to ensure they adequately considered the inventory available within and from other missions as well as the United Nations strategic reserves before including new acquisitions; (b) providing training to technical sections on demand planning; and (c) supporting technical sections in the acquisition process. It is headed by a Chief at the P-4 level with one field service staff, two national professional officers, three national staff and six United Nations Volunteers.

4. MONUSCO developed its demand and source plans for 2019/20 and 2020/21 using the web-based Demand and Acquisition Planning (DAP) tool. The tool was launched in 2017 as an interim measure to facilitate data collection and review and aggregate annual demand plans of missions. The Mission's planned and actual procurements as of 31 March 2021 are shown in Table 1.

Table 1: Planned and actual procurements for 2019/20 and 2020/21

	<i>Fiscal Year</i> <i>2019/20</i>	<i>Fiscal Year</i> <i>2020/21</i>
Planned procurements	\$315,121,471	\$313,612,684
Actual procurements	\$272,321,174	\$251,604,448

Source: Acquisition Planning Cell, final DAPs FY2019/20 and FY2020/21; Umoja purchase orders up to 31 March 2021

5. Comments provided by MONUSCO 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 MONUSCO demand, source and delivery planning process.

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

8. OIOS conducted this audit from April to September 2021. The audit covered the period from July 2019 to March 2021. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in demand and source planning activities, which included: (a) demand planning; (b) source planning; (c) delivery planning; and (d) 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; and (d) judgmental sample testing of 494 planned demand lines worth \$12.1 million out of 1,325 lines in the 2019/20, and 327 planned demand items worth \$7 million out of 1,238 items in 2020/21.

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

III. AUDIT RESULTS

A. Demand planning

MONUSCO needed to develop a detailed net demand plan adjusted from the gross demand

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

12. MONUSCO prepared demand plans that included information on sourcing type, fund centre, quantity, unit price and delivery date. Technical sections initiated the process by developing their demand requirements for the next fiscal year and APC reviewed these requirements. However, technical sections were not following the data driven process recommended by DOS guidelines and did not: (a) include an analysis of inventory consumption patterns; (b) adequately consider existing inventory balances; or (c) account for changes in operational requirements. As a result, the plans developed did not adequately forecast MONUSCO's procurement needs and timelines for delivery. The following were noted:

- OIOS selected purchases worth \$153.4 million and \$153.8 million made in 2019/20 and 2020/21 respectively and compared these to the demand plans. It was noted that in 2019/20, 87 requirements worth \$33.7 million were procured that had not been included in the demand plan, and in 2020/21 as of 31 March 2021, 85 requirements worth \$32 million were procured that had not been planned for. For instance, sea cargo costs for military contingent-owned equipment worth \$4,198,351, air conditioners worth \$585,542 and radio equipment worth \$590,148 that were procured in 2019/20 had not been included in the demand plan.
- There were 242-line items valued at \$2.2 million in both the 2019/20 and 2020/21 demand plans that were copied from one period to the next even though the Mission was scaling down operations, and actual requirements are significantly less. There were also 172-line items amounting to \$4.7 million included in the 2019/20 demand plan that were not procured, as they were already available in stock.

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 technical sections did not always capture the quantities required and unit costs for some products, but they captured the estimated total costs. In other instances, the quantities and/or unit costs in the demand plan were significantly different from actual purchases indicating inflated estimates as illustrated in Table 2. From a comparison of the actual quantities procured for 494 out of 1,325-line items in the 2019/20 demand plan, 53 per cent of product quantities procured were not the quantities planned. As the demand plan drives the Mission’s budget, overstated requirements may lead to the Mission requesting more resources than needed, resulting in inefficient use of scarce resources.

Table 2: Comparison between planned and actual quantity, and cost

Product	Unit of measurement	Planned		Actual		Difference (\$)
		Quantity	Cost (\$)	Quantity	Cost (\$)	
Gravel	Cubic metre	50,296	989,836	4,697	142,997	846,839
Sand	Cubic metre	48,751	515,786	9,753	188,689	327,097
Wire: Barbed	Metre	6,000	246,000	920	4,669	241,331
Wire: Concertina	Metre	8,000	232,000	58,850	3,630	228,370
SUV, GP, HD,4x4	Each	1	745,622	20	451,806	293,816
Total			2,729,244		791,791	1,937,453

Source: Acquisition Planning Cell, final DAP FY2019/20; Umoja purchase orders FY2019/20

13. The above occurred as demand plans were not adequately reviewed and amended to factor in goods on hand, surpluses available from other missions, and consumption trends taking into consideration the closure of locations and anticipated drawdown of operations. There was heavy reliance on the submissions made by technical sections without APC adequately analyzing and scrutinizing demand plans to ensure compliance with DOS guidelines and that they were free of errors.

14. The Mission stated that its operational requirements are difficult to define due to changes in its mandate, emerging military priorities and unforeseen situations such as the Ebola and COVID-19 pandemics, as well as the volcano eruption in Goma in May 2021. In OIOS view, while the peacekeeping environment is dynamic and all eventualities are difficult to predict, these issues would not have had a direct impact on the demand plans that were prepared for the period reviewed. This included for example, demands for goods such as laptop computers and handheld radios that are driven by authorized staffing levels. Further the Mission informed that they could not determine unit costs due to the absence of existing contracts. However, historical data is readily available in Umoja, which MONUSCO planners could have referred to for most requirements of a similar nature and/or search for relevant information from the internet.

(1) MONUSCO should strengthen procedures in the Acquisition Planning Cell to review the gross demand plans submitted by technical sections and ensure that plans factor in all variables affecting the net demand, including current inventory holdings, purchase orders in the pipeline, consumption trends, closure of locations and surpluses available from other missions before producing the net demand plan.

MONUSCO accepted recommendation 1 and stated that a new excel-based Supply Chain Planning Tool (SCPT) in Umoja is being rolled-out. This tool will provide visibility on factors including statistical forecasts, consumption patterns, information on current stocks, open purchase orders, internal sources such as surplus stocks and intermission transfers in Umoja. MONUSCO staff will be trained in the use of the new SCPT during the January to March 2022 and implementation is anticipated to be completed by 31 December 2022.

MONUSCO needed to review its inventory of assets to identify and declare surplus items

15. To minimize purchasing stocks that already exist in the Organization and the time taken to conduct procurement processes, supply chain planners are required to evaluate the possibility of meeting the Mission's demand requirements through strategic deployment stocks (SDS) and global surplus, which the United Nations Global Service Centre (UNGSC) consolidates and regularly shares with missions through an online portal.

16. The minutes of monthly integrated business planning (IBP) meetings showed that UNGSC attended the meetings and advised the Mission on materials available in SDS reserves and global surplus. The IBP meeting of 26 March 2020 recommended that a portion of the Mission's requirements worth \$6.6 million be sourced through SDS. Based on this advice, MONUSCO requested assorted goods from UNGSC and other missions amounting to \$3 million, including vehicles and spares, communications equipment and medical supplies. To reduce its inventory, MONUSCO sent out \$52,815 worth of assets to other missions. However, the Mission still had \$5.2 million worth of goods that had not moved during the 21 months reviewed. The goods sent to other missions, therefore, only represent 1 per cent of the Mission's slow-moving stock.

17. Holding excessive stocks increases the risk of goods becoming obsolete, leading to write-offs and can result in additional overhead costs for storage. Also, as the Mission is drawing down, action is needed to reduce unnecessary levels of inventory through regular review of inventory and asset holdings to identify and deal with surplus goods. This issue was also raised as far back as September 2019 during the IBP meeting with the Office of Supply Chain Management (OSCM) where concerns were raised about the high level of inventory the Mission was holding that was beyond their useful life. As of 31 March 2021, there was \$7.5 million of obsolete inventory out of the total inventory balance of \$40.8 million.

(2) MONUSCO should review its inventory and asset holdings while taking into consideration the provisions for safety stocks to identify surplus goods and wherever possible declare them as such to the UNGSC for potential transfer to other missions.

MONUSCO accepted recommendation 2 and stated that the implementation of this recommendation is ongoing. The process to identify surplus goods is done through cycle counts and routine reports run in Umoja. In addition, the Director of Mission Support circulated an inter-office memorandum dated 28 December 2021 to all service chiefs and chiefs of sections within Mission Support Division and set timelines to identify and report surplus stock and consolidate them for reporting to UNGSC for potential transfer to other missions.

B. Source planning

The Mission used systems contracts effectively

18. Adequate source planning helps the Mission to identify and use the best available modality to fulfill its demand through existing inventory and contracts, new procurements, or from Member States through letters of assist (LOA). Additionally, the Procurement Division establishes systems contracts for missions to use by minimizing the number of time-consuming and repetitive solicitations for the same commodities in multiple locations and to achieve economies of scale. During the audit period, 93 per cent of the Mission's requirements were procured using existing contracts, against 61 per cent initially planned in the demand and acquisition plan. Considering this, the high use of systems contracts could be better considered when developing sourcing plans.

19. The Mission's sourcing methods were regularly reviewed during IBP meetings and by the Mission when necessary. UNGSC and OSCM provided advice on alternative sourcing options which were often implemented by the Mission. This included the possibility of sourcing additional items from systems contracts, sourcing short- and long-term passenger air charter through LOAs and drawing from inventory already in SDS. Based on the processes in place, OIOS concluded that the Mission was generally using systems contracts effectively.

C. Delivery planning

MONUSCO needed to strengthen its delivery planning

20. Proper planning for the delivery of goods increases the likelihood that they will be received when required and more cost-effective transportation options will be used to consolidate shipments along the same supply routes. In MONUSCO, the Movement Control Section is responsible for tracking, managing and coordinating all shipments until transit goods are received at their final destination.

21. The Mission incorporated delivery plans with the demand and acquisition plans reflecting the quarter in which goods were required to be delivered, as well as the month that the relevant purchase order was to be approved to meet the planned delivery date. However, 50 per cent of a sample of 494-line items in the 2019/20 demand plan were ordered and delivered later than planned by an average of 129 days. In 2020/21, 80 per cent of 327-line items were ordered and delivered later than planned by an average of 170 days. OIOS was cognizant of the impact of the COVID-19 on the supply chain with some delays beyond the control of the Mission and therefore, this was deducted in calculating the delays.

22. As a good practice, MONUSCO started using the Transportation Management tool in Umoja in November 2019. The tool allowed the Mission to combine shipments for multiple purchase orders using one container instead of two where the departure port was the same and the delivery dates were not more than seven days apart. Therefore, there was a need for good coordination of its procurement activities to ensure that goods originating from the same departure point were synchronized with delivery dates. However, as some procurements were done on an ad hoc basis, it was difficult at times to coordinate deliveries. OIOS review of shipments in the Transportation Management tool for the nine months from July 2020 to March 2021 showed that out of 92 deliveries 88 were incoterms Delivered at Place and four were incoterms Free Carrier originating from three different ports. Delivered at Place makes consolidating shipments challenging as the duty to manage shipments falls on the vendor. Free Carrier on the other hand gives the Mission more flexibility to consolidate shipments because the Mission is responsible for managing them, with the consolidation of purchases leading to better delivery scheduling and economies of scale.

23. The DAP tool was an interim solution pending implementation of the Umoja Extension 2 supply chain planning functionality and was not interfaced with Umoja. Consequently, even though the plan contained purchase order authorization dates and quarters in which the Mission expected to receive goods and services, actual purchase order authorization dates and deliveries happened at times different from those stated in the plan. Failure to deliver goods and services when required could result in disruptions in the Mission's operations and necessitate excessive use of ad-hoc acquisitions.

(3) MONUSCO should implement measures to appropriately time the issuance of purchase orders to ensure that goods and services are received as per the planned delivery quarter where feasible.

MONUSCO accepted recommendation 3 and stated that the Mission has strengthened coordination between the Procurement Section and clients in technical units/sections in Service Delivery &

Operations and Resource Management pillars, and in the Movement Control Section. The aim was to issue purchase orders in a timely manner aligning them with delivery plans in SCPT where feasible as well as to fulfil changes if any, to meet day-to-day Mission operational needs.

D. Risk management and performance management

The Mission identified supply chain risks and developed mitigation measures

24. The MONUSCO risk register included risks and associated mitigation measures related to demand, source and delivery planning. These included: abuse of procurement through the low-value acquisition process, which could result in loss of economies of scale; and extended lead times due to disruptions in the supply chain arising from COVID-19 border closures for critical supplies such as fuel and rations which were imported through ports in Kenya and Tanzania. Consideration was also given to the possibility of local suppliers taking advantage of supply chain disruptions to raise prices. To mitigate these risks, the Mission held weekly meetings to monitor low-value acquisitions, raised purchase orders earlier, requested the rations and fuel contractors to hold larger reserve stocks and negotiated with local suppliers to minimize cost increases due to COVID-19. The Mission had also identified fraud and corruption as supply chain management risks and, to mitigate in part such risks, improved awareness of all APC staff by ensuring they completed training on preventing fraud and corruption in the United Nations and participated in the leadership dialogue on conflict of interest.

MONUSCO needed to establish and monitor achievement of key performance indicators

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

26. Figures 1 and 2 compare the planned versus actual procurements for 2019/20 and 2020/21, which show marked deviations that the Mission could not fully explain due to inadequate monitoring of the process. Therefore, weaknesses arising in the supply chain processes, such as failure to accurately develop and implement net demand and delivery plans which were discussed earlier in this report, were not addressed in a timely manner.

Figure 1: Comparison between planned and actual procurement for 2019/20 (in millions of dollars)

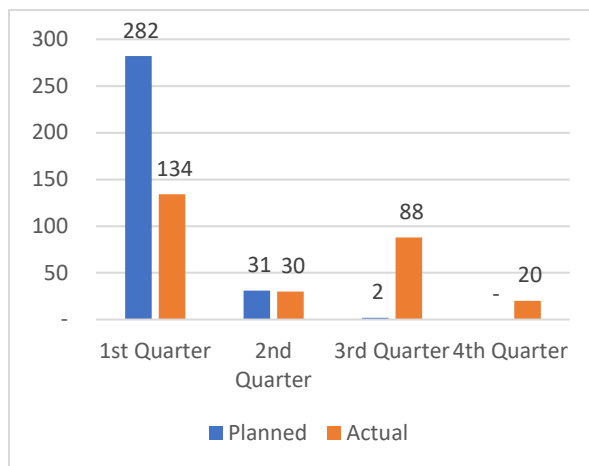
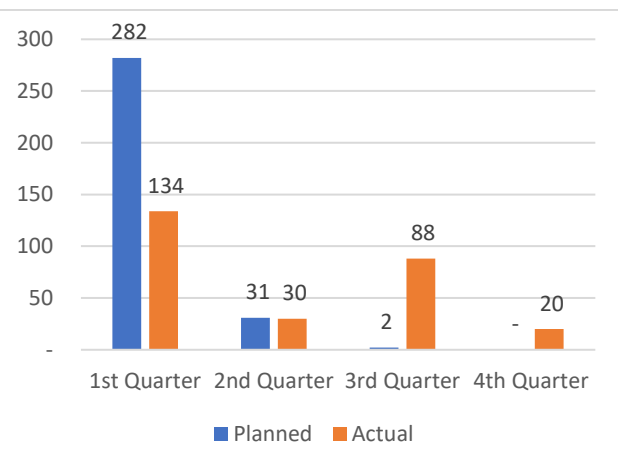


Figure 2: Comparison between planned and actual procurement for 2020/21 (in millions of dollars)



Source: Acquisition Planning Cell, final DAPs FY2019/20 and FY2020/21; Umoja purchase orders to 31 March 2021

27. The Mission had not developed KPIs for these processes and the available KPIs were limited to monitoring funds disbursed against planned acquisitions. The Mission informed that it relied on KPIs developed by DOS at Headquarters, which was inaccurate, as DOS' responsibility is limited to providing guidance to missions. MONUSCO is responsible for developing KPIs based on the guidance from DOS, and APC has a role that included developing, reviewing and evaluating internal controls over acquisition activities and support functions.

28. The monthly IBP meetings discussed progress in the implementation of demand, source and delivery plans as well as challenges encountered and made recommendations to address them. However, this was at the product category level and not at the product identification codes (PID) level. Therefore, the review as part of the monthly meetings was insufficient for monitoring the effectiveness of the demand planning process and for lessons learned for future planning exercises.

29. As the DAP tool was not interfaced with Umoja, it was not possible to create dashboards that could track the implementation of the Mission's demand and delivery plans. Moreover, product names and PIDs used in the DAP tool and those used when creating purchase orders in Umoja did not always match due to the use of generic PIDs during planning, lack of granularity for some requirements and demand plans being finalized before the resolution or creation of PIDs by the Material Master Data Management Team. For instance, OIOS review of product names and PIDs showed that 627 (519 for goods and 108 for services) lines worth \$150.4 million in the 2019/20 plan did not match actual procurements in terms of product name and PIDs. Similarly, for the 2020/21 plan, 645 lines (547 for goods and 98 for services) worth \$130.2 million did not match actual procurements in terms of product name and PIDs.

30. The use of different product names and PIDs complicated data analysis, which required cumbersome and time-consuming manual manipulation of data.

(4) MONUSCO should: (a) develop and implement key performance indicators (KPIs) to analyse the effectiveness of its demand, acquisition and delivery plans; and (b) improve the granularity of the plans, including use of specific product identification numbers and restricting use of product category level planning to spare parts only, to facilitate measurement of KPIs.

MONUSCO accepted recommendation 4 and stated that KPIs have been established in Umoja and are awaiting further review in coordination with Supply Chain Performance Management Section, while delivery plans would be streamlined in coordination with respective technical units and sections. The Mission plans to improve granularity using the SCPT in Umoja which is being rolled out in all peacekeeping missions.

IV. ACKNOWLEDGEMENT

19. OIOS wishes to express its appreciation to the management and staff of MONUSCO 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 Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	MONUSCO should strengthen procedures in the Acquisition Planning Cell to review the gross demand plans submitted by technical sections and ensure that plans factor in all variables affecting the net demand, including current inventory holdings, purchase orders in the pipeline, consumption trends, closure of locations and surpluses available from other missions before producing the net demand plan.	Important	O	Receipt of evidence that the Mission's net demand is driven by adequate analysis based on operational requirements.	31 December 2022
2	MONUSCO should review its inventory and asset holdings while taking into consideration the provisions for safety stocks to identify surplus goods and wherever possible declare them as such to the UNGSC for potential transfer to other missions.	Important	O	Receipt of evidence that surplus stocks have been identified and declared to the UNGSC and other necessary actions have been taken to reduce its level.	21 June 2022
3	MONUSCO should implement measures to appropriately time the issuance of purchase orders to ensure that goods and services are received as per the planned delivery quarter where feasible.	Important	O	Receipt of evidence to show that purchase orders are being issued to ensure that goods and services are received as per the planned delivery quarter where feasible.	30 June 2022
4	MONUSCO should: (a) develop and implement key performance indicators (KPIs) to analyse the effectiveness of its demand, acquisition and delivery plans; and (b) improve the granularity of the plans, including use of specific product identification numbers and restricting use of product category level planning to spare parts only, to facilitate measurement of KPIs.	Important	O	Receipt of evidence to show that the KPIs being developed by the Mission are being used to analyse the effectiveness of its demand, acquisition and delivery plans and that granularity has been improved accordingly.	31 December 2022

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 MONUSCO in response to recommendations.

APPENDIX I

Management Response




INTEROFFICE MEMORANDUM

Date: 28 February 2022

Ref.: SRSR-DMS-2022-00285

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

From:
De: Bintou Keita 
Special Representative of the Secretary-General
and Head of MONUSCO

Subject: **Mission comments on the recommendations in the Draft**
Objet: **Audit Report on the audit of demand and source planning in**
MONUSCO (Assignment No. AP2021-620-01)

1. I acknowledge receipt of your interoffice memorandum dated 10 February 2022 (Ref: OIOS-2021-00186) forwarding the draft report on the audit of demand and source planning in MONUSCO. Thank you for giving the Mission the opportunity to comment on the findings and recommendations in the draft report.

2. Attached please find the Mission comments on the recommendations contained in the report. The supporting document mentioned in the comments will be provided to the Audit Team only.

3. Thank you and best regards.

cc. Ms. Fatoumata Ndiaye, USG for Internal Oversight Services
Mr. Ebrima Ceesay, Director of Mission Support, MONUSCO
Mr. Amadu Fuseini Timbilla, MONUSCO
Mr. Azzam Ayyat, MONUSCO
Ms. Ayna Khaidova, MONUSCO
Mr. Felix Nartey, MONUSCO
Mr. Amir Muzzamil, MONUSCO
Ms. Judith Atiagaga, MONUSCO
Mr. Tilchand Acharya, OIOS
Mr. James Suglo, OIOS

Management Response

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Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MONUSCO should strengthen procedures in the Acquisition Planning Cell to review the gross demand plans submitted by technical sections and ensure that they factor in all variables affecting net demand, including current inventory holdings, purchase orders in the pipeline, consumption trends, closure of locations and surpluses available from other missions before producing the net demand plan.	Important	Yes	Chief, Supply Chain Management	31 December 2022	A new excel-based Supply Chain Planning Tool (SCPT) in Umoja is currently being rolled-out in Peacekeeping Missions including MONUSCO. This tool will provide visibility on factors including statistical forecasts, consumption patterns, information on current stocks, open purchase orders, internal sources including surplus stocks and intermission transfers in Umoja ECC. Some MONUSCO staff will be trained in the use of the new SCPT during the months of January, February and March 2022. Afterwards, the Mission will be able to conclude net demand plan based on review of gross demand submitted by the technical units/sections in SCPT and implement this recommendation by 31 December 2022.
2	MONUSCO should review its inventory and asset holdings while taking into consideration the provisions for safety stocks to identify surplus goods and wherever possible declare them as such to	Important	Yes	Chief, Supply Chain Management	21 June 2022	The Mission would like to state that the implementation of this recommendation is ongoing. The process of identification of surplus items is being done through cycle

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.

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	<p>the United Nations Global Service Centre for potential transfer to other missions.</p>				<p>counts and routine reports run in the data system (Umoja). For example, on 21 July 2021, the Mission submitted a list of items considered as surplus goods to the United Nations Global Service Centre (UNGSC) for action. This resulted in UNGSC notifying other peacekeeping missions and special political missions (SPMs) of the MONUSCO surplus transport assets and informing them that the items were available for immediate release to any interested peacekeeping missions or SPMs. The facsimile from UNGSC has been provided to the Audit Team for verification.</p> <p>In addition, as part of the continuous implementation of this recommendation, the Director of Mission Support (DMS) circulated an interoffice memorandum (IOM) dated 28 December 2021, to all Service and Section Chiefs of Mission Support Division and set timelines for full implementation. The Central Warehouse Section in collaborating with the Technical Sections is currently reviewing asset holdings to identify any surplus items to be declared to UNGSC for further action or take disposal action at mission level (a copy of the IOM was provided to the</p>
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Management Response

Audit of demand and source planning in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

						Audit Team in response to the detailed audit results).
3	MONUSCO should implement measures to appropriately time the issuance of purchase orders to ensure that goods and services are received as per the planned delivery quarter where feasible.	Important	Yes	Chief, Supply Chain Management	30 June 2022	Bearing in mind the COVID-19 effects on global supply chain and its effects on manufacturing and delivery, MONUSCO procurement has strengthened coordination between Procurement Section and clients in Technical Units/Sections in Service Delivery & Operations and Resource Management pillars and Movement Control Section. This will ensure that Purchase Orders are issued in a timely manner as per delivery plans in Supply Chain Planning Tool where feasible and fulfil changes if any, to meet day-to-day Mission operational needs. This recommendation will be implemented by 30 June 2022 with the expectation that the global supply chain challenges will ease or cease.
4	MONUSCO should: (a) develop and implement key performance indicators (KPIs) to analyse the effectiveness of its demand, acquisition and delivery plans; and (b) improve the granularity of the plans, including use of specific product identification numbers and restricting use of product category level planning to spare parts only, to facilitate measurement of KPIs.	Important	Yes	Chief, Supply Chain Management	31 December 2022	(a) The demand and acquisition planning process has established key performance indicators (KPIs) in Umoja that will further be reviewed in coordination with Supply Chain Performance Management Section while the delivery plans will be streamlined in collaboration with respective Technical Unit/Section, Movement Control Section and Procurement Sections.

Management Response

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				Chief, Acquisition Planning Cell		(b) With the inception of new Supply Chain Planning Tool (SCPT) in Umoja (i.e., currently being rolled-out in peacekeeping missions including MONUSCO), demand plans for materials and services will be reflected against product/service identification numbers while spare parts are projected at product category level. The introduction of new SCPT in Umoja will improve granularity of the plans. This recommendation will be implemented by 31 December 2022.
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