Rations management in UNAMID

Increased capacity to oversee, monitor and guide personnel involved in the management of rations will ensure undisrupted food supply and avoid wastage

1 March 2010
Assignment No. AP2009/634/14
TO: Mr. Ibrahim Gambari  
A: Joint Special Representative, UNAMID

FROM: Fatoumata Ndiaye, Director  
DE: Internal Audit Division, OIOS

DATE: 1 March 2010

REFERENCE: IAD: 10-C0108

SUBJECT: Assignment No. AP2009/634/14 - Audit of rations management in UNAMID

1. I am pleased to present the report on the above-mentioned audit.

2. In order for us to close the remaining recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.

3. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendations 2, 4, 5, 7, 13, 20 and 22) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

CC: Mr. Mohamed Yonis, Deputy Joint Special Representative for Operations and Management, UNAMID
Mr. Wolfgang Weiszegger, Acting Director of Mission Support, UNAMID
Mr. Swatantra Goolsaran, Executive Secretary, UN Board of Auditors
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit
Mr. Seth Adza, Audit Response Team, Department of Field Support
Mr. Moses Bamuwamye, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Special Assistant to the USG-OIOS
Ms. Eleanor T. Burns, Chief, Peacekeeping Audit Service, OIOS
INTERNAL AUDIT DIVISION

FUNCTION

“The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization” (General Assembly Resolution 48/218 B).

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EXECUTIVE SUMMARY
Audit of rations management in UNAMID

OIOS conducted an audit of rations management in the United Nations African Union Hybrid Mission in Darfur (UNAMID). The overall objective of the audit was to assess the adequacy and effectiveness of internal controls over the management of rations. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

OIOS found that the requisition process involving contingents and the Contractor was adequate. However, improvement in critical areas was required as follows:

- The level of vacancies in the Rations Unit precluded the Mission from conducting adequate receiving and inspection of rations, as well as conducting quality assurance resulting in a risk of shortages and poor quality rations being accepted by the Mission.

- There was an insufficient number of emergency ration packs resulting in a risk that the Mission may not be able to meet requirements of staff and contingents in an emergency situation.

- Standard operating procedures for the management of rations were not in place, and there was thus a high risk of errors and noncompliance with the rations contract.

- Due to delays in processing invoices, the Mission did not take advantage of discounts provided for in the contract. For the period from January 2008 to March 2009, possible discounts of Euro 2.4 million were lost because invoices were not paid within the 30 days period stipulated in the contract.

- An amount of Euro 4.6 million was paid to the contractor without being verified as a bona fide payment by the Rations Unit.

- Contingent warehouses were not systematically visited by the Rations Unit to ensure that rations were properly stored and adequately safeguarded against damage, loss or theft.

OIOS has made a number of recommendations to address the inadequacies and to facilitate corrective action.
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**IV. AUDIT FINDINGS AND RECOMMENDATIONS**

- B. Management of the Rations Contract
- C. Management of Rations by the Rations Unit and Contingents

**V. ACKNOWLEDGEMENT**

ANNEX 1 – Response and implementation of recommendations
I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the management of rations in the United Nations African Union Hybrid Mission in Darfur (UNAMID). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. The supply of food rations to UN Military contingents is an integral part of the operations of the Mission. The United Nations Procurement Division (PD) in Headquarters entered into a contract with a Contractor to provide food rations and bottled water to UNAMID military contingents throughout Darfur. Food rations include dry food, fresh food, canned food and 10-man one-day reserved rations. The Contractor is required to meet the cultural and dietary needs of the troops from different countries, and is responsible to provide, manage and operate warehouse facilities in El-Fasher, El-Geneina and Nyala. The Contractor receives the rations in these warehouses and distributes them to contingent locations. Combat Ration Packs (CRPs) are supplied under a separate contract for emergency usage. The CRPs and 10-man one-day reserve ration packs consist of dry and canned food items.

3. The initial value of the contract (PD/CO035/08) awarded to the Contractor to supply food rations and bottled water to UNAMID was Euro 28.7 million. The initial contract period was from 15 February 2008 to 30 June 2008 and was subsequently extended four times. Table 1 below provides an overview of the amendment to the original contract from 15 February 2008 to 30 March 2009.

Table 1: Contract amount in Euro million from 15 February to 30 March 2009

<table>
<thead>
<tr>
<th>Contract Period</th>
<th>Initial Contract Euro</th>
<th>Increase Euro</th>
<th>Grand Total Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 15 February to 30 June 2008</td>
<td>28.7</td>
<td></td>
<td>28.7</td>
</tr>
<tr>
<td>2 1 to 31 July 2008</td>
<td></td>
<td>9.3</td>
<td>38.0</td>
</tr>
<tr>
<td>3 1 to 31 August 2008</td>
<td></td>
<td>6.2</td>
<td>44.2</td>
</tr>
<tr>
<td>4 1 September 2008 to 25 January 2009</td>
<td></td>
<td>44.9</td>
<td>89.1</td>
</tr>
<tr>
<td>5 26 January to 30 March 2009</td>
<td></td>
<td>23.1</td>
<td>112.2</td>
</tr>
</tbody>
</table>

4. During fiscal years 2007/2008 and 2008/2009 the budgets for food rations and bottled water were $51.2 million and $165.2 million respectively.

5. The total expenditures for fiscal years 2007/2008 and 2008/2009 were $49 million and $122.3 million respectively reflecting the increase in Mission’s troop levels. As at March 2009, the Mission troop level was more than 13,000 compared to 7,000 in March 2008.

6. The total troop strength from January 2008 to March 2009 was 133,262. The chart below indicates the breakdown of troop strength in UNAMID by month.
The Rations Unit in the Supply Section of UNAMID is responsible for the food rations administration and management. In addition, the Contracts Management Section (CMS) is responsible for monitoring the implementation and performance of the Contractor. Invoice processing and payments are performed by the Finance Section.

Comments made by UNAMID are shown in italics.

II. AUDIT OBJECTIVES

The main objectives of the audit were to assess whether:

(a) The Rations Unit was managing rations in compliance with the UN regulations, rules, policies, and established standard operating procedures (SOPs);

(b) The CMS is ensuring that the Contractor is in conformance with criteria and standards stated in the contract; and

(c) The Rations Unit and the contingents are taking adequate measures to avoid wastage and to keep a proper inventory of ration stock, CRPs and 10-man one-day reserved ration packs.
III. AUDIT SCOPE AND METHODOLOGY

10. The audit covered the supply, management and administration of rations for the period from 15 February 2008 to 31 March 2009. The audit methodology comprised the following:

- Interviews and discussions with key personnel of the Rations Unit, CMS, Finance Section and Contingent Food Officers (CFOs);
- Review of various documents such as contract agreements, provisions of the Rations Management in the United Nations Peacekeeping Missions Manual and UNAMID draft rations SOP;
- Review and inspection of operational documents such as requisitions, delivery notes, payment invoices and their supporting documentations; and
- Assessment of the CFOs understanding of the UN rations management process through the results of a survey sent to the CFOs.

11. Physical inspections of food stores were conducted at 16 contingent sites and the contractor’s warehouse in El-Fasher, Nyala and El-Geneina.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Contract terms and provisions

Inadequate and inappropriate staffing of the Rations Unit

12. The Chief of the Rations Unit is also the Officer-in-Charge of the Supply Section and responsible for the rations contract worth Euro 112.2 million. Currently, the Unit has four vacant posts, including the critical posts of the Chief, Supply Officer (P-5) and Quality Control/Quality Assurance Officer (FS6). The Chief of the Rations Unit stated that successful candidates did not accept their offers due to the volatile security situation in Darfur. The Chief of the Rations Unit further indicated that the Receiving & Inspection (R&I) Unit lacked the capacity to perform the R&I functions. Therefore, there were no R&I personnel at the main hubs where the Contractor maintain warehouses.

13. As a result of the above vacancies, R&I and Quality Assurance functions did not operate throughout the entire period covered by the audit. For instance, OIOS noted that in Umm Barru and Kulbus sectors, which are 150 and 300 kilometers respectively away from the Contractor’s warehouse in El-Geneina, CFOs were responsible for inspecting the rations delivered by air. These CFOs did not obtain quality assurance training to determine the quality acceptance standard of the product delivered. As a result, OIOS discovered 12 boxes of
expired eggs that were delivered on the most recent delivery at these contingent stores.

14. Vacancies in critical posts for an extended period results in a risk of the Rations Unit being ill-prepared to manage the rations contract and it diminishes accountability.

**Recommendations 1 to 3**

**The UNAMID Office of Mission Support should:**

1) Fill all vacant posts without further delay, especially the critical posts of Chief Rations Officer and Quality Control/Quality Assurance in the Rations Unit;

2) Take immediate action to establish a Receiving and Inspection Unit in all the main hubs where the Contractor maintains warehouses; and

3) Request Receiving and Inspection Unit and Quality Control to provide proper training to the Contingent Food Officers, who are responsible for receiving rations until the Unit becomes fully operational in these locations.

15. The UNAMID Administration accepted recommendation 1 and advised that the Chief of the Rations Unit is in place, and since September 2009 has relinquished the functions of Officer-in-Charge of the Supply Section. A Quality Assurance Officer has been recruited and is expected in the Mission by 31 March 2010. Recommendation 1 remains open pending confirmation that the Quality Assurance Officer has assumed his/her functions.

16. The UNAMID Administration accepted recommendation 2 and stated that the R&I Unit establishment is restricted due to present budget constraints. However, an additional post has been requested in the 2010/2011 budget. Recommendation 2 remains open pending confirmation that the Mission has adequate resources to conduct R&I at all main hubs.

17. The UNAMID Administration accepted recommendation 3 and stated that effective 1 October 2009, the Rations Unit is fully operational at all locations. Training is conducted periodically to update the knowledge and skills of CFOs. Recommendation 3 remains open pending verification that CFOs have been adequately trained.

**Absence of SOPs on the management of rations**

18. According to the DPKO/DFS Guidelines, UNAMID must create an integrated military and civilian rations administration programme to plan, organize, direct and control the provision of rations from initial requisition to final payment, throughout the life of the mission.
19. The Rations Unit does not have SOPs for its activities and the activities of CFOs. SOPs were drafted in March 2009, but they were not finalized and put in operation. Also, the DPKO/DFS SOPs on rations management was not distributed to the Rations Unit personnel and CFOs pending completion of the mission-specific SOPs.

20. The absence of rations SOPs may result in errors and irregularities in the management of rations by the CFOs and Ration Unit staff members.

**Recommendation 4**

*(4)* The UNAMID Office of Mission Support should take immediate action to review and finalize mission-specific standard operating procedures.

21. The UNAMID Administration accepted recommendation 4 and stated that effective 1 October 2009, the Rations Unit has developed and issued SOPs for Rations Unit staff and CFOs. Recommendation 4 remains open pending receipt of the SOPs.

**Lack of sufficient emergency reserve packs**

22. The Rations Unit did not maintain the required 14-day stock of CRPs. The total number of staff members for whom CRPs are to be maintained per the records of the Rations Unit was substantially different from numbers of staff obtained from the respective offices by OIOS. In Sector North, the number of contingents was understated in the records of the Rations Unit by more than 2,000 while the number of civilians and police was overstated by more than 600.

23. The objective of such reserves is to ensure a minimum operating balance in case of emergency to be consumed by civilians, police and military. Maintaining inaccurate numbers of military, police or civilian personnel increases the risk of staff needs not being adequately addressed in the event of an emergency.

**Recommendation 5**

*(5)* The UNAMID Office of Mission Support should take immediate action to ensure that the Rations Unit maintain accurate amounts of Combat Ration Packs for actual numbers of military, police and civilians in compliance with relevant policies of DPKO/DFS.

24. The UNAMID Administration accepted recommendation 5 and stated that effective 1 October 2009, the Rations Unit maintains an accurate number of CRPs for the actual strength of military, police and civilians in UNAMID. Recommendation 5 remains open pending receipt of evidence that the Rations Unit maintains accurate amounts of CRPs for Mission personnel.
Lost discounts

25. The Mission did not take advantage of discounts provided for in the contract due to delays in the processing of invoices. For the period from January 2008 to March 2009, discounts totaling approximately Euro 2.4 million were lost because invoices were not paid within 30 days from the date of when the invoice was submitted to UNAMID.

26. The condition identified above was the result of inadequate internal controls over the management of invoices and payment by the Rations Unit and Finance Section.

27. The Mission did not enforce the implementation of the performance indicators for the key processes in rations management in order to measure the Mission’s performance in administering the contract. Establishing processing lead times and identifying process owners will enhance accountability and strengthen controls over the contract administration. Performance indicators for invoice processing could afford a better opportunity for availing the Mission of the 2.5 per cent early payment discount.

Recommendation 6

(6) The UNAMID Office of Mission Support should enforce the implementation of the performance indicators provided for in the contract to enhance accountability and strengthen controls over the timely processing of invoices.

28. The UNAMID Administration accepted recommendation 6 and stated that effective 1 October 2009, conformance to performance indicators in the contract has been ensured. Lead times in the processing of invoices have been reduced (to less than the 30 days) for the Mission to fully take advantage of the discounts from early payment of invoices. Recommendation 6 remains open pending verification of the implementation of performance indicators and the timely payment of invoices.

Lack of internal control over invoice verification and payment process

29. According to the Rations Management in United Nations Peacekeeping Missions Guideline, “invoices must be promptly reviewed to ensure that costs are based on the contractor’s unit prices and do not exceed the Ceiling Man-Day Rate (CMR) before the invoices are forwarded for processing and final payment.”

30. During the review of invoices, OIOS noted that a payment of Euro 4.6 million was made to the Contractor without any verification by the Rations Unit, R&I or CMS. There was no evidence to indicate that the invoice had been verified by any of the units/sections and this was further reinforced by the fact that the invoice was marked “paid without verification”.

6
31. The lack of proper internal controls increases the risk of payments being made without ensuring compliance with terms of the contract. The Mission may pay for items not received, unconfirmed, or the Contractor’s invoice prices may be excessive.

**Recommendation 7**

(7) The UNAMID Office of Mission Support should ensure that invoices are paid after verification by the Rations Unit, Receiving and Inspection Unit and Contract Management Section to avoid overpayment or payment for items that were not received. All invoices should have all the required supporting documents upon review.

32. The UNAMID Administration accepted recommendation 7 and stated that effective 1 September 2009, all invoices go through the consecutive verification process by Rations Unit, R&I, CMS, and finally to Finance Section for payment. Recommendation 7 remains open pending verification that adequate procedures are in place to verify invoices before payment.

**B. Management of rations contract**

Non-Compliance with the terms and conditions of the contract by the mission

33. Statement of Work of the contract states that “the Contractor shall establish in El Fasher, Nyala and El Geneina, on land provided by UNAMID, a container warehouse complex, large enough to ensure the appropriate storage, management and distribution of food rations.”

34. The Mission did not provide sufficient storage space as stipulated by the terms of the contract in order to maintain reserve bottled water. During a visit to the Contractor’s warehouse in El-Geneina, OIOS noted that 327,762 bottles of water had been kept outside, exposed to hot weather, since July 2008. Furthermore, CMS did not conduct field visits to verify contractor’s compliance with the requirements of the contract.

35. Improper storing of bottled water in direct sunlight exposes the contingents to a health risk.

**Recommendations 8 and 9**

The UNAMID Office of Mission Support should:

(8) Ensure that the Mission provides enough space to the contractor for the storage of food rations, bottled water, and the reserve rations; and

(9) Ensure that Contract Management Section visits all the Contractor warehouses to verify that the Contractor is in
compliance with the contract requirements by maintaining sufficient storage areas.

36. The UNAMID Administration accepted recommendation 8 and stated that a task order for building seven warehouses has been issued to the Contractor. The Contractor completed about 80 per cent of the tasks at the main hubs at El Fasher, Nyala and El Genena as at 30 September 2009. The works at other locations are at various stages of completion. They are scheduled to be completed by 31 March 2010. Recommendation 8 remains open pending receipt of documentation showing that UNAMID has allocated enough space to the Contractor to build warehouses as specified in the contract and confirmation that the Contractor completed all the task orders at the main hubs and other locations.

37. The UNAMID Administration accepted recommendation 9 and stated that effective 1 October 2009, CMS has been visiting the Contractor warehouses to conduct mobilization inspection and to verify that the Contractor is in compliance with contract requirements concerning storage areas. Recommendation 9 remains open pending receipt of documentation showing that the CMS is ensuring that the Contractor complies with the requirements of the contract.

Non-compliance with the terms and conditions of the contract by the contractor

38. According to the contract, if the Contractor is unable to supply Food Rations or bottled water in the quantities specified in the requisition, the Contractor shall notify the Mission in writing of any proposed substitutions in any event not later than twenty one (21) calendar days prior to the start of the delivery cycle. The Contractor shall, upon delivery, provide the Mission with the delivery note and any other documents or information which the Mission may require to take possession and delivery of the rations.

39. During the course of the audit, OIOS noted that the Egyptian and Rwandese CFOs at Umkadada and Zalingei sectors reported that for the period of 26 May to 20 July 2009, the contingents did not receive the requested quantities to feed 800 to 860 troops. For example, only 750 kg of chicken breasts was received against the requested amount of 1,080 kg, and none of the 1,268 kg for tomatoes were received. Many other examples can be cited. Furthermore, the Contractor did not substitute the items reported. Also, the CFOs stated that the Contractor did not always issue delivery notes upon the delivery of rations. Failure of the Contractor to provide the relevant delivery notes precluded contingents from submitting the relevant discrepancy reports in timely manner to the Rations Unit.

40. OIOS also noted that troops were required to consume ration packs that were near expiration date. Weevils had infested the bags of rice of the 10-man one-day ration packs. The same situation was found during OIOS random inspection in Umm Barru at the Senegalese contingent. The Senegalese contingents also received 18 boxes of 10-man one-day ration packs without an expiration date listed on the box.
41. The condition noted above resulted from the absence of the R&I process, and the lack of contract monitoring and administration by the Rations Unit and CMS. Short deliveries by the Contractor have affected the regular supply of rations to the troops. In addition, noncompliance with the terms and conditions of the contract increases the risk of financial loss to the Mission.

**Recommendations 10 and 11**

The UNAMID Office of Mission Support should:

(10) Ensure that the contractor complies with the terms and conditions of the contract by providing the required quantities and quality of rations and the related delivery notes; and

(11) Ensure that the Rations Unit inspects all contingent sites and ensures that all contaminated items are removed from the ration packs.

42. The UNAMID Administration accepted recommendation 10 and stated that effective 1 October 2009, the Contractor provides the required quantity and quality of rations to the contingents. All delivery notes are provided upon delivery of the rations, and the CFOs acknowledge by signing the delivery notes. Recommendation 10 remains open pending receipt of documentation showing that internal controls have been strengthened to ensure the correct quality and quantity of rations have been received.

43. The UNAMID Administration accepted recommendation 11 and stated that effective 1 September 2009, the Rations Unit operations have been decentralized to sectors, and each sector has a work plan under which supervisors visit all contingent sites to ensure the integrity of the rations packs. Recommendation 11 remains open pending receipt of documentation showing the inspection visits conducted by the sectors Rations Units.

**Inadequate monitoring of the contract by Contract Management Section**

44. OIOS learned that expired eggs that were rejected by R&I Unit in El-Fasher have been sold in the public market. OIOS noted that while the Contractor was responsible for destroying the rejected items, they did not comply with the terms of the contract and eggs were left outside of the Contractor’s warehouse.

**Recommendation 12**

(12) The UNAMID Office of Mission Support should ensure that the Contract Management Section monitors the contractor’s compliance with the terms and conditions of the contract to properly dispose of any items with a defect that is rejected by the Receiving and Inspection Unit.
45. The UNAMID Administration accepted recommendation 12 and stated that effective 30 November 2009, the Contractor has sought the assistance of the Mission in the proper disposal of spoiled rations. CMS discussed the issue with the Water and Environmental Section and concluded that the Contractor is solely responsible for the disposal of spoiled rations as provided in the contract. The CMS is monitoring the Contractor’s compliance with proper disposal of spoiled rations. Recommendation 12 remains open pending confirmation that the Contractor is properly disposing of defected or rejected items by the R&I Unit.

Inadequate coordination among units that deal with the rations contract

46. Pursuant to the contract the Mission’s designated official shall convene a meeting with the Contractor’s representative each month to discuss performance, progress or any disputes. In addition, according to the DPKO/DFS Guidelines, performance meetings must be convened at least once per month to document the Contractor’s performance. These meetings are chaired by the Rations Contract Administrator of the Mission and include the Contractor, the Staff Officer for Food and concerned staff members in Procurement, Finance and other Sections.

47. OIOS noted that the CMS did not conduct performance evaluation of the Contractor during the period of the audit. This condition was caused by a lack of monitoring of the contract by CMS. Without proper monitoring, there is an increased risk of unsatisfactory service by the contractor and a lack of timely corrective action by the Mission.

Recommendation 13

(13) The UNAMID Office of Mission Support should ensure that the Contract Management Section conducts performance evaluations of the Contractor in accordance with the DPKO/DFS Guidelines for Rations Management Manual.

48. The UNAMID Administration accepted recommendation 13 and stated that effective 1 September 2009, the CMS has been performing the evaluation of the Contractor in accordance with DPKO/DFS Guidelines. Contractor Performance meeting is held once every month by CMS. In addition, quarterly performance appraisals are done by the CMS. Recommendation 13 remains open pending receipt of a copy of the contract performance evaluation reports.

C. Management of rations by the Ration Unit and CFOs

Lack of routine visits to contingent sites by the Rations Unit

49. DFS/DKPO Guidelines on rations management states that the duties and responsibilities of food officers include the provision of technical guidance and support to CFOs on a variety of issues including requisitioning, delivery and storage, hygiene, etc.
50. During visits to 16 contingent locations, OIOS was informed that the Rations Unit did not systematically visit contingent warehouses to ensure that rations entrusted to the contingents were adequately safeguarded. OIOS observed the following weaknesses:

- Indonesian Formed Police Unit (FPU) did not store frozen items at the required temperature and 16 of 49 contingent sites visited did not maintain a log of daily temperature recording;
- CRPs were stored in a container under direct sunlight at the contractor’s warehouses and the contingent sites;
- The solid waste disposal area has inadequate refuse receptacles, most of which have no lids and the general hygienic status was not acceptable;
- The reefer and containers are placed in the sand without stands, and the surroundings were not clean posing an obvious health risk;
- Weevils had infested the food supplies at the Gambian storage facilities;
- Rations were stored on the floor which was dirty and dusty at the Indonesian FPU and Gambian contingent sites. There were signs of rodent infestations in the dry stores; and
- Spoiled and expired foods were stored in the same container with other consumable items.

51. The lack of proper storage and maintenance of frozen items/CRPs could lead to spoilage of food, growth of micro organisms, and consequently the spread of disease or illness and financial loss to the Mission.

**Recommendation 14**

(14) The UNAMID Office of Mission Support should require the Rations Unit to develop and implement a schedule of announced and unannounced inspection visits to contingent sites to verify the maintenance of frozen items and Combat Ration Packs in compliance with the relevant standards.

52. The UNAMID Administration accepted recommendation 14 and stated that effective 1 September 2009, rations operations have been decentralized to the sectors and each sector has its schedule of visits to contingent locations. Recommendation 14 remains open pending receipt of documentation showing inspection visits conducted by the sectors Rations Units verifying the maintenance of frozen items and CRPs in compliance with the relevant standards.
Inadequate recordkeeping and reporting

53. During site visits to 16 contingent units, OIOS noted poor record keeping of rations within the contingents and the absence of monthly inventory reports sent to the Rations Unit. For instance, a number of slow moving and expired stocks found at some contingents’ warehouses were not reported to the Rations Unit as detailed in Tables 1 and 2 after paragraphs 57 and 70.

54. The DFS/DKPO Guidelines states that “Commanding Officers are responsible for the accurate requisitioning of rations for their contingents or units. They shall ensure that a monthly rations order register that reflects receipts, issuances and balances, copies of monthly returns for under or overdrawn rations.”

55. The Rations Unit explained that contingents feared that excess stocks would be taken away from them if accurate balances were reported. In addition, the Chief of Rations Unit explained that the Unit did not have sufficient staff to adequately inspect warehouses. The lack of adequate recordkeeping may result in errors and irregularities in the management of rations. Further, inadequate staffing prevents the Rations Unit from adequately monitoring ration operations.

Recommendation 15

(15) The UNAMID Office of Mission Support should ensure that all items in contingent stores are accurately recorded in the inventory register and that monthly stock reports are forwarded to the Rations Unit for review and consolidation.

56. The UNAMID Administration accepted recommendation 15 and stated that effective 1 September 2009, Monthly Inventory Reports are submitted regularly to the sector Rations Units for consolidation to Mission HQ Rations Unit. Recommendation 15 remains open pending receipt of copies of monthly inventory reports submitted to sectors Rations Units.

Advance food orders results in food wastage

57. UNAMID troops rotate in cycles ranging from six months to a year. The outgoing CFOs submit food orders 60 days in advance for incoming troops in order not to disrupt food supply. This is also done in consideration of the fact that both the incoming and the outgoing CFOs are from the same troop contributing countries (TCC). For the first 60 days, incoming troops are provided with food that was ordered by the outgoing CFO. OIOS however noted that this arrangement still resulted in problems, as the contingents ended up with some food items which they were unfamiliar with and therefore did not consume. These unused items were not reported to the Rations Unit. Table 1 illustrates some food items in contingent stores that were ordered by the outgoing troops that the incoming troops did not consume.
Table 1: Excess rations

<table>
<thead>
<tr>
<th>Unit</th>
<th>Item</th>
<th>Quantity</th>
<th>Expiry date</th>
</tr>
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<tbody>
<tr>
<td>Nibatt2</td>
<td>English tea</td>
<td>12 boxes</td>
<td>2010</td>
</tr>
<tr>
<td></td>
<td>Pecan halves</td>
<td>9 bags</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Walnut</td>
<td>17 bags</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pepper green</td>
<td>2 bags</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Soy sauce</td>
<td>10 bottles</td>
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</tr>
<tr>
<td></td>
<td>Balsamic vinegar</td>
<td>97 bottles</td>
<td>September 2011</td>
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<tr>
<td></td>
<td>Spaghetti</td>
<td>23 boxes</td>
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<td></td>
<td>Fusilli</td>
<td>10 boxes</td>
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</tr>
<tr>
<td>Senbatt6</td>
<td>Asparagus</td>
<td>8 boxes</td>
<td></td>
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<tr>
<td>RSABatt4</td>
<td>Lasagna</td>
<td>46 boxes</td>
<td>September 2011</td>
</tr>
<tr>
<td>Rwandatt</td>
<td>Mustard</td>
<td>24 boxes</td>
<td>December 2008</td>
</tr>
<tr>
<td>Rwanbatt</td>
<td>Assorted spices</td>
<td>15 boxes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tea Bag</td>
<td>122 boxes</td>
<td></td>
</tr>
<tr>
<td>Gomcoy</td>
<td>Turmeric</td>
<td>Many packs</td>
<td>2010</td>
</tr>
<tr>
<td></td>
<td>Ground pepper</td>
<td>Many packs</td>
<td>2010</td>
</tr>
<tr>
<td>Nepal FPU</td>
<td>Coffee</td>
<td>54 bottles</td>
<td>2010</td>
</tr>
<tr>
<td></td>
<td>Pickles</td>
<td>108 bottles</td>
<td>August 2010</td>
</tr>
<tr>
<td></td>
<td>Sweet relish</td>
<td>24 bottles</td>
<td>September 2010</td>
</tr>
</tbody>
</table>

58. According to the existing procedures, incoming contingents are allowed to amend food orders made to the outgoing contingents within 14 days of arriving in the Mission. OIOS noted, however, that the Contractor typically orders, transports and maintains rations in its warehouses 60 days in advance in compliance with the rations contract. Therefore, the amendment can only be made to substitute certain items not everything ordered on the requisition.

59. The condition noted above was caused by lack of communication between the outgoing and incoming troops and lack of monitoring by the Rations Unit.

60. The untimely reporting of excess and unused rations to the Rations Unit may result in financial loss to the Mission if the item shelf date expires.

**Recommendations 16 to 18**

The UNAMID Office of Mission Support should:

(16) In coordination with the Force Commander’s Office, establish mechanisms for effective coordination and handover of food between outgoing and incoming contingent food officers;

(17) Discuss with the United Nations Procurement Division to amend the contract to provide more flexibility in ordering or substituting rations by incoming troops; and
(18) Request the Rations Unit to take immediate action to inspect all contingent sites and ensure that all unused rations are removed.

61. The UNAMID Administration accepted recommendation 16 and stated that effective 1 September 2009, there is a proper handover between outgoing and in-coming CFOs. The Ration Unit also conducts initial induction training and sectors Rations Units do follow-up training. Recommendation 16 remains open pending receipt of documentation that shows the proper handover/takeover between the outgoing and in-coming, and CFOs have been given the necessary training.

62. The UNAMID Administration accepted recommendation 17 and stated that effective 1 September 2009, the issue that should necessitate the amendment of contract has been taken care of by proper handover/takeover by CFOs. Recommendation 17 remains open pending receipt of documentation showing that there is now proper handover/takeover by the CFOs.

63. The UNAMID Administration accepted recommendation 18 and stated that effective 1 September 2009, inspection of contingent sites have been carried out by the Rations Unit, and all unused rations have been removed. Recommendation 18 remains open pending receipt of documentation regarding the removal of all unused rations at contingent sites performed by the Rations Unit.

Lack of internal control over the receiving process

64. Delivery Notes submitted by the Contractor were signed by the Rations Unit’s staff member for rations delivered for the incoming troops. There was no evidence that the incoming troops actually received the delivered goods.

65. The DPKO/DFS Guidelines provide that contingent commanding officers are responsible for the accurate requisitioning of rations for their contingents and for obtaining delivery notes or packing lists from the contractor.

Recommendation 19

(19) The UNAMID Office of Mission Support should ensure that delivery notes signed by the Rations Unit are properly conveyed to the incoming troops and signed by the concerned contingent food officers after inspection.

66. The UNAMID Administration accepted recommendation 19 and stated that effective 1 September 2009, all delivery notes are properly signed by the CFOs of the receiving units. Recommendation 19 remains open pending receipt of copies of delivery notes signed by incoming CFOs in receipt of rations that was received by the Rations Unit.
Need to expedite the customs clearance process at Port

67. OIOS noted that due to customs clearance difficulties at Port Sudan, containers are often held for 6 to 12 months. Seven contingents including the Egypt Transport Company, Bangladesh MRL Coy, Nigerian Level 2, NIGFPU, PAKENGRCOY, ETHBATT1, and ETHMRLU reported disposal of food items that had expired as a result of delays in customs clearing.

68. Contingents are expected to import adequate rations for 60 days from their country. The Mission did not provide adequate monitoring and management over the importation of goods.

**Recommendation 20**

(20) The UNAMID Office of Mission Support should take immediate measures to expedite the customs clearance process at Port Sudan for rations imported from the troop contributing countries.

69. The UNAMID Administration accepted recommendation 20 and stated that effective 1 April 2009, TCC representatives have been going to Port Sudan well ahead of the arrival of the main contingent to sort out the clearing of their own-equipment. They assisted the responsible Movement Control (MOVCON) personnel at Port Sudan to go through the customs clearing process. This has significantly reduced the delay. Recommendation 20 remains open pending verification that delays in customs clearance has reduced.

Absence of procedures for disposal of unusable food items

70. Each contingent used a different method of disposing of unusable or expired dry, canned and fresh food items. Some throw spoiled food items in garbage and others buried them in the compound. As shown in Table 3, contingents from Gambia carried expired food rations.

**Table 2: Expired food rations**

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanilla Powder</td>
<td>90 bottles</td>
<td>June 2009</td>
</tr>
<tr>
<td>Mint Sauce</td>
<td>88 bottles</td>
<td>April 2009</td>
</tr>
<tr>
<td>Vinegar</td>
<td>15 bottles</td>
<td>June 2009</td>
</tr>
</tbody>
</table>

71. There are no formal guidelines on the disposal of expired foods that could be followed by CFOs. The absence of ration SOPs may result in errors and irregularities in the management of rations by CFOs. The methods presently used for disposing of the expired or spoiled food items pose risks of pollution to the environment. The Mission could be held financially liable for damage to health and the environment.
Recommendation 21

(21) The UNAMID Office of Mission Support should promulgate mission specific standard operating procedures for the disposal of expired and unusable food items.

72. The UNAMID Administration accepted recommendation 21 and stated that effective 1 October 2009, the SOP and Quality Assurance and Risk Management Manual has been in place. Recommendation 21 remains open pending review of the SOPs and Procedures and Quality Assurance and Risk Management Manual.

Need for the Rations Unit to report the missing container to the Special Investigation Unit

73. During the random inspection, OIOS established that 3,963 CRPs valued at $45,000 had been lost in transit from Port Sudan to El-Fasher on 15 January 2009. According to the Rations Unit, the container was delivered along with 15 other containers by the MOVCON Section. The containers were left in the Supercamp without submitting a handover/delivery receipt to the Rations Unit. The missing container was never reported to the Special Investigation Unit (SIU) to allow for further investigation.

74. Management indicated that the Nyala Office had been trying to locate the container. The Rations Unit was unable to adequately manage or track the missing container in a timely manner and should have reported the case to the SIU for further follow-up.

Recommendations 22 and 23

The UNAMID Office of Mission Support should:

(22) Request the Rations Unit to immediately report the case of the missing container to the Special Investigation Unit for appropriate action; and

(23) Establish procedures for the proper handover/delivery of goods from Port Sudan to contingents or Receiving and Inspection Unit.

75. The UNAMID Administration accepted recommendation 22 and stated that the case was reported to UNAMID’s SIU in August 2009. The case is under investigation. Recommendation 22 remains open pending confirmation that the case has been properly dealt with by SIU.

76. The UNAMID Administration accepted recommendation 23 and stated procedures have been streamlined with effect from 30 November 2009. There is now a proper handover/delivery of goods from Port Sudan to user sections, contingents and R&I Unit. Recommendation 23 remains open pending receipt of
documentation showing that appropriate measures have been put in place to ensure the proper handover/delivery of goods from Port Sudan to contingent sites or Receiving and Inspection Unit by MOVCON.

V. ACKNOWLEDGEMENT

77. We wish to express our appreciation to the Management and staff of UNAMID for the assistance and cooperation extended to the auditors during this assignment.
# STATUS OF AUDIT RECOMMENDATIONS

<table>
<thead>
<tr>
<th>Recom. no.</th>
<th>Recommendation</th>
<th>Risk category</th>
<th>Risk rating</th>
<th>C/ O¹</th>
<th>Actions needed to close recommendation</th>
<th>Implementation date²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The UNAMID Office of Mission Support should fill all vacant posts without further delay, especially the critical posts of Chief Rations Officer and Quality Control/Quality Assurance in the Rations Unit;</td>
<td>Operational</td>
<td>Moderate</td>
<td>O</td>
<td>Confirmation that the Quality Assurance Officer has assumed his/her functions.</td>
<td>1 September 2009</td>
</tr>
<tr>
<td>2</td>
<td>The UNAMID Office of Mission Support should take immediate action to establish a Receiving and Inspection Unit in all the main hubs where the Contractor maintains warehouses.</td>
<td>Operational</td>
<td>High</td>
<td>O</td>
<td>Confirmation that the Mission has adequate resources to conduct R$I at all main hubs.</td>
<td>31 May 2010</td>
</tr>
<tr>
<td>3</td>
<td>The UNAMID Office of Mission Support should request Receiving and Inspection Unit and Quality Control to provide proper training to the Contingent Food Officers, who are responsible for receiving rations until the Unit becomes fully operational in these locations.</td>
<td>Operational</td>
<td>Moderate</td>
<td>O</td>
<td>Verification that CFOs have been adequately trained.</td>
<td>1 October 2009</td>
</tr>
<tr>
<td>4</td>
<td>The UNAMID Office of Mission Support should take immediate action to review and finalize mission-specific standard operating procedures.</td>
<td>Governance</td>
<td>High</td>
<td>O</td>
<td>Receipt of SOPs.</td>
<td>30 September 2009</td>
</tr>
<tr>
<td>5</td>
<td>The UNAMID Office of Mission Support should take immediate action to ensure that the Rations Unit maintain accurate amounts of Combat Ration Packs for actual numbers of military, police and civilians in compliance with relevant policies of DPKO/DFS.</td>
<td>Governance</td>
<td>High</td>
<td>O</td>
<td>Receipt of evidence that the Rations Unit maintains accurate amounts of CRPs for Mission personnel.</td>
<td>1 October 2009</td>
</tr>
</tbody>
</table>

¹ C indicates close, O indicates open.
² The date in bold indicates when the recommendation was initially due to be closed.
<table>
<thead>
<tr>
<th>Recom. no.</th>
<th>Recommendation</th>
<th>Risk category</th>
<th>Risk rating</th>
<th>C/ O¹</th>
<th>Actions needed to close recommendation</th>
<th>Implementation date²</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>The UNAMID Office of Mission Support should enforce the implementation of the performance indicators provided for in the contract to enhance accountability and strengthen controls over the timely processing of invoices.</td>
<td>Operational</td>
<td>Moderate</td>
<td>O</td>
<td>Verification of implementation of performance indicators and the timely payment of invoices.</td>
<td>30 September 2009</td>
</tr>
<tr>
<td>7</td>
<td>The UNAMID Office of Mission Support should ensure that invoices are paid after verification by the Rations Unit, Receiving and Inspection Unit and Contract Management Section to avoid overpayment or payment for items that were not received. All invoices should have all the required supporting documents upon review.</td>
<td>Financial</td>
<td>High</td>
<td>O</td>
<td>Verification that adequate procedures are in place to verify invoices.</td>
<td>30 September 2009</td>
</tr>
<tr>
<td>8</td>
<td>The UNAMID Office of Mission Support should ensure that the Mission provides enough space to the contractor for the storage of food rations, bottled water, and the reserve rations.</td>
<td>Operational</td>
<td>Moderate</td>
<td>O</td>
<td>Receipt of documentation showing that UNAMID has allocated enough space to the Contractor to build warehouses as specified in the contract and receipt of confirmation that the Contractor completed all the task orders at the main hubs and other locations.</td>
<td>30 September 2009</td>
</tr>
<tr>
<td>9</td>
<td>The UNAMID Office of Mission Support should ensure that Contract Management Section visits all the Contractor warehouses to verify that the Contractor is in compliance with the contract requirements by maintaining sufficient storage areas.</td>
<td>Operational</td>
<td>Moderate</td>
<td>O</td>
<td>Receipt of documentation that indicates that the CMS is ensuring the Contractor complies with the requirements of the contract.</td>
<td>30 September 2009</td>
</tr>
<tr>
<td>10</td>
<td>The UNAMID Office of Mission Support should ensure that the contractor complies with the terms and conditions of the contract by providing the required quantities and quality of rations and the related delivery notes.</td>
<td>Compliance</td>
<td>Moderate</td>
<td>O</td>
<td>Receipt of documentation showing that internal controls have been strengthened to ensure the correct quality and quantity of rations have been received.</td>
<td>30 September 2009</td>
</tr>
<tr>
<td>Recom. no.</td>
<td>Recommendation</td>
<td>Risk category</td>
<td>Risk rating</td>
<td>C/O&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Actions needed to close recommendation</td>
<td>Implementation date&lt;sup&gt;2&lt;/sup&gt;</td>
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<tr>
<td>------------</td>
<td>----------------</td>
<td>---------------</td>
<td>-------------</td>
<td>-----------------</td>
<td>----------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>11</td>
<td>The UNAMID Office of Mission Support should ensure that the Rations Unit inspects all contingent sites and ensures that all contaminated items are removed from the ration packs.</td>
<td>Compliance</td>
<td>Moderate</td>
<td>O</td>
<td>Receipt of documentation showing the inspection visit conducted by the sector Rations Unit ensuring the removal of contaminated items from the ration packs.</td>
<td>1 September 2009</td>
</tr>
<tr>
<td>12</td>
<td>The UNAMID Office of Mission Support should ensure that the Contract Management Section monitors the contractor’s compliance with the terms and conditions of the contract to properly dispose of any items with a defect that is rejected by the Receiving and Inspection Unit.</td>
<td>Compliance</td>
<td>Moderate</td>
<td>O</td>
<td>Confirmation that the Contractor is properly disposing of defected or rejected items.</td>
<td>1 September 2009</td>
</tr>
<tr>
<td>14</td>
<td>The UNAMID Office of Mission Support should require the Rations Unit to develop and implement a schedule of announced and unannounced inspection visits to contingent sites to verify the maintenance of frozen items and Combat Ration Packs in compliance with the relevant standards.</td>
<td>Operational</td>
<td>Moderate</td>
<td>O</td>
<td>Receipt of documentation showing inspection visits conducted by the sectors Rations Unit verifying the maintenance of frozen items/Combat Ration Packs in compliance with the relevant standards.</td>
<td>1 September 2009</td>
</tr>
<tr>
<td>15</td>
<td>The UNAMID Office of Mission Support should ensure that all items in contingent stores are accurately recorded in the inventory register and that monthly stock reports are forwarded to the Rations Unit for review and consolidation.</td>
<td>Operational</td>
<td>Moderate</td>
<td>O</td>
<td>Receipt of monthly inventory report submitted to the sector Rations Unit.</td>
<td>1 September 2009</td>
</tr>
<tr>
<td>Recom. no.</td>
<td>Recommendation</td>
<td>Risk category</td>
<td>Risk rating</td>
<td>C/ O</td>
<td>Actions needed to close recommendation</td>
<td>Implementation date</td>
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<tr>
<td>-----------</td>
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<td>----------------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>16</td>
<td>The UNAMID Office of Mission Support should in coordination with the Force Commander’s Office, establish mechanisms for effective coordination and handover of food between outgoing and incoming contingent food officers</td>
<td>Operational</td>
<td>Moderate</td>
<td>O</td>
<td>Receipt of documentation that shows the proper handover/takeover between the outgoing and incoming CFOs, and that CFOs have been given the necessary training.</td>
<td>30 September 2009</td>
</tr>
<tr>
<td>17</td>
<td>The UNAMID Office of Mission Support should discuss with the United Nations Procurement Division to amend the contract to provide more flexibility in ordering or substituting rations by incoming troops.</td>
<td>Operational</td>
<td>Moderate</td>
<td>O</td>
<td>Receipt of documentation showing proper handover/takeover by the CFOs.</td>
<td>1 September 2009</td>
</tr>
<tr>
<td>18</td>
<td>The UNAMID Office of Mission Support should request the Rations Unit to take immediate action to inspect all contingent sites and ensure that all unused rations are removed.</td>
<td>Operational</td>
<td>Moderate</td>
<td>O</td>
<td>Receipt of documentation regarding the removal of all unused rations at contingent sites performed by the Rations Unit.</td>
<td>1 September 2009</td>
</tr>
<tr>
<td>19</td>
<td>The UNAMID Office of Mission Support should ensure that delivery notes signed by the Rations Unit are properly conveyed to the incoming troops and signed by the concerned contingent food officers after inspection.</td>
<td>Operational</td>
<td>Moderate</td>
<td>O</td>
<td>Receipt of copies of delivery notes signed by incoming CFOs by the Rations Unit.</td>
<td>30 September 2009</td>
</tr>
<tr>
<td>20</td>
<td>The UNAMID Office of Mission Support should take immediate measures to expedite the customs clearance process at Port Sudan for rations imported from the troop contributing countries.</td>
<td>Operational</td>
<td>High</td>
<td>O</td>
<td>Verification that delays in custom’s clearance has reduced.</td>
<td>30 March 2009</td>
</tr>
<tr>
<td>Recom. no.</td>
<td>Recommendation</td>
<td>Risk category</td>
<td>Risk rating</td>
<td>C/ O</td>
<td>Actions needed to close recommendation</td>
<td>Implementation date²</td>
</tr>
<tr>
<td>-----------</td>
<td>---------------------------------------------------------------------------------</td>
<td>---------------</td>
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<td>----------------------</td>
</tr>
<tr>
<td>22</td>
<td>The UNAMID Office of Mission Support should request the Rations Unit to immediately report the case of the missing container to the Special Investigation Unit for appropriate action.</td>
<td>Operational</td>
<td>High</td>
<td>O</td>
<td>Confirmation from the Special Investigation Unit that this matter has been resolved.</td>
<td>30 September 2009</td>
</tr>
<tr>
<td>23</td>
<td>The UNAMID Office of Mission Support should establish procedures for the proper handover/ delivery of goods from Port Sudan to contingents or Receiving and Inspection Unit.</td>
<td>Operational</td>
<td>Moderate</td>
<td>O</td>
<td>Receipt of documentation showing that appropriate measures have been put in place to ensure the proper handover/delivery of goods from Port Sudan to contingent sites or Receiving and Inspection Unit by MOVCON.</td>
<td>30 November 2009</td>
</tr>
</tbody>
</table>

1. C = closed, O = open
2. Date provided by UNAMID in response to recommendations.