



United Nations

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**OFFICE OF INTERNAL OVERSIGHT SERVICES
INVESTIGATIONS DIVISION**

*This Report is protected by paragraph 18 of
ST/SGB/273 of 7 September 1994*

**CLOSURE REPORT ON ALLEGED PROCUREMENT
IRREGULARITIES IN**



REDACTED REPORT

ID Case No. 0010-08

23 APRIL 2009

STRICTLY CONFIDENTIAL

This Investigation Report of the Investigations Division of the United Nations Office of Internal Oversight Services is provided upon your request pursuant to paragraph 1(c) of General Assembly resolution A/RES/59/272. The report has been redacted in part pursuant to paragraph 2 of this resolution to protect confidentiality and sensitive information. OIOS's transmission of this Report does not constitute its publication. OIOS does not bear any responsibility for any further dissemination of the Report.

[REDACTED] DATE: [REDACTED]
[REDACTED]

[REDACTED]

SUBJECT: **Closure report on alleged procurement irregularities in** [REDACTED]
[REDACTED]

1. On [REDACTED], the Investigations Division of the Office of Internal Oversight Services (OIOS) received information from [REDACTED] the then [REDACTED] concerning alleged irregularities in the implementation of [REDACTED]

2. Specifically, it was reported that on [REDACTED] [REDACTED] was [REDACTED] by [REDACTED] to [REDACTED] the new [REDACTED] submitted [REDACTED] plans and the [REDACTED] was put out for tender. A number of bids were received but all of them were considerably over budget, leading [REDACTED] to conclude that [REDACTED] had failed to take the budget into consideration when designing the project. On [REDACTED] in consultation with [REDACTED] cancelled its [REDACTED] with [REDACTED]; although not before an initial payment of [REDACTED] had been made to [REDACTED] for [REDACTED] services to date. The procurement exercise was also cancelled.

3. OIOS conducted interviews of relevant staff members in [REDACTED] who dealt with the [REDACTED] project and established that once [REDACTED] aware of the problem, they took immediate action by cancelling both the procurement exercise and [REDACTED] thus ensuring that no additional cost was incurred by the Organization.

4. Upon request of the OIOS investigators, the Internal Audit Division of OIOS included it in their audit of [REDACTED] in [REDACTED]. The following findings were made in the Draft Report on the Audit of Procurement Management of [REDACTED], dated [REDACTED] submitted to [REDACTED], the [REDACTED]

The [REDACTED] initial bidding exercise was cancelled in [REDACTED] when it was established that the lowest bid received was twice the budgeted amount of [REDACTED]. This led to doubts about the competency of the [REDACTED] who designed the [REDACTED] project and therefore [REDACTED] was cancelled. The [REDACTED] paid to [REDACTED] for the first phase of the [REDACTED] was therefore wasted. The accountability structure was not clear

because common services at [REDACTED] are divided among [REDACTED] organizations. Therefore, there was no single chain of command in the implementation of the project. The leadership gap led to inadequate planning, and slow and ineffective decision making. These in turn led to delays and inefficiencies in all aspects of the project implementation.

5. OIOS has learned that [REDACTED] Procurement has initiated a new procurement exercise in respect of [REDACTED] and that steps have been taken to ensure that the problems encountered in the first exercise are not repeated.
6. OIOS has conducted a review of relevant documents collected during the course of its preliminary investigation, including those submitted by [REDACTED] and finds that there is no evidence to substantiate misconduct against any particular staff member.
7. OIOS considers the matter closed.
8. Thank you and best regards.

