



OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

Audit of Procurement Requisitioning in UNMIL

Requisitioners' lack of awareness of some procurement processes and their lack of the relevant skills impeded effective procurement requisitioning

4 August 2009

Assignment No. AP2009/626/02

United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES - BUREAU DES SERVICES DE CONTRÔLE INTERNE
INTERNAL AUDIT DIVISION - DIVISION DE L'AUDIT INTERNE

TO: Ms. Ellen Margrethe Løj
A Special Representative of the Secretary-General
United Nations Mission in Liberia

DATE: 7 August 2009

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

REFERENCE IAD: 09- 07 750

Fatoumata

SUBJECT: **Assignment No. AP2009/626/02 - Audit of Procurement Requisitioning in UNMIL**
OBJET:

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we are pleased to inform you that we will close recommendation 10 in the OIOS recommendations database as indicated in Annex 1. 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 1, 3, 4, 5, and 6) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Stephen Lieberman, Director of Mission Support, UNMIL
Ms. Stephani Scheer, Chief Administrative Services, UNMIL
Ms. Melva Crouch, Chief Integrated Support Services, UNMIL
Ms. Josie Villamin, Chief Procurement Section, UNMIL
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Mr. Jesus Lara Alonso, Officer-in-Charge, Joint Inspection Unit Secretariat
Mr. Moses Bamuwamye, Chief, Oversight Support Unit, Department of Management
Mr. Seth Adza, Chief, Audit Response Team, DFS
Mr. Byung-Kun Min, Programme Officer, 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

Procurement requisitioning in UNMIL

OIOS conducted an audit of procurement requisitioning in United Nations Mission in Liberia (UNMIL). The overall objective of the audit was to assess the adequacy and effectiveness of internal controls over procurement requisitioning. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

Requisitioners' lack of awareness of some procurement processes and their lack of the relevant skills impeded effective procurement requisitioning in UNMIL. In particular, there is the need for improvement in the following areas:

- The acquisition planning process followed by requisitioners lacks in-depth analysis to determine the actual needs of the Mission;
- Late requisitioning and frequent revisions to requisitions delayed the procurement of essential items;
- Updates to the UN Procurement Manual were not adequately disseminated to all staff members involved in the various stages of the procurement processes;
- Requisitioners prepared specifications that were restrictive, ambiguous and referred to brand names and specific manufacturers' products;
- Certifying Officers did not conduct adequate reviews to establish the actual needs prior to approving requisitions; and
- Requisitioners did not apply the best value for money principles especially when developing acquisition plans, and when establishing the specifications for goods and/or services as required by the UN Procurement Manual.

OIOS has made several recommendations that if addressed will mitigate the risks identified.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of Procurement Requisitioning in the United Nations Mission in Liberia (UNMIL). The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.
2. UNMIL is mandated to provide operational support to 11,817 United Nations personnel. The effectiveness of the operational support is determined, in part, by the timeliness of requisitions and procuring the required goods and services.
3. Identifying requirements and preparing the requests for the procurement of goods and services are the responsibility of the requisitioning offices and Procurement Section (PS) in UNMIL (for local procurements) and the UN Procurement Division at the UN Headquarters (UNPD) for special requirements for which procurement is centralized. The number of approved requisitions for the period from 1 July 2007 to 31 December 2008 was 842 with a total value of \$711,695,783.
4. Requisitions are raised by seven self-accounting units (SAUs) in UNMIL comprising the following sections: Aviation, Communication and Information Technology Services (CITS), Engineering, General Support Services (GSS), Movement Control (MOVCON), Supplies, and Transport. There are 42 requisitioners authorized to raise requisitions in UNMIL. These requisitioners are responsible to develop acquisition plans, review all requests for procurement, define requirements and specifications, and raise the requisition to be certified and transmitted to the PS by the Certifying Officer (CO). COs with the sole delegation of authority to certify requisitions act as the liaisons between their respective requisitioning offices and the PS. At the time of the audit, UNMIL had 15 COs.
5. Comments made by UNMIL are shown in *italics*.

II. AUDIT OBJECTIVES

6. The main objective of the audit was to assess the adequacy and effectiveness of internal controls relating to procurement requisitioning and more specifically to:
 - (a) Determine the timeliness of the procurement requisitioning; and
 - (b) Check compliance of procurement requisitioning with the UN established procurement and financial guidelines.
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III. AUDIT SCOPE AND METHODOLOGY

7. The Audit covered the period 1 July 2007 to 31 December 2008 and focused on procurement requisitioning activities, from acquisition planning to the receipt of approved requisitions.

8. Other procurement processes including sourcing, solicitation and evaluation, contracting, and contract management will not be covered under this audit.

9. OIOS activities comprised interviews with key Mission personnel involved in procurement requisitioning and review of pertinent documents and records.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Acquisition planning and monitoring

10. In accordance with section 8.1 of the Procurement Manual (PM), requisitioners are responsible for developing acquisition plans and providing any proposed revisions to the acquisition plans at no more than three month intervals. The Chief Procurement Officer (CPO) is also responsible, as per section 8.1.4 of the PM, to review quarterly revised acquisition plans and advise requisitioners what proportion of these plans can be achieved within the current procurement period. Such planning shall, to the extent possible, be used to obtain economies of scale and other benefits to the UN.

11. OIOS reviewed four revised acquisition plans for the period from 1 July 2007 to 30 June 2008 and found that the revised acquisition plan for the fourth quarter (1 April -30 June 2008) did not include updates from Public Information office (PIO), Security Section, GSS and MOVCON to reflect the dynamic requirements of the Mission.

12. Moreover, a review of a sample of 30 line items selected from the acquisition plans showed that the plans were not adequately reviewed and therefore did not reflect the actual needs of the Mission. For example, there was no evidence of adequate future needs assessment and analysis for 22 of the 30 line items. The CITS Section conducted a requirement analysis for desktop computers and laptops in the middle of 2007/2008 although it would have been more useful if the analyses were conducted when developing the acquisition plan. Based on the analyses conducted in mid 2007/2008, the CITS decided to increase the number of desktop computers provided for in the acquisition plan from 151 to 913, and the number of laptops from zero to 699. The review of work done by five other SAUs was also limited resulting in the omission of necessary changes

to the acquisition plans. For example, MOVCON acquisition plan for the fiscal year 2007/2008 included budget for freight and port charges amounting to \$1 million. No adequate documentation or explanation was available to support the needs and the budget in the acquisition plan. At the end of the 2007/2008 fiscal year, \$200,000 (20 per cent) of the \$1 million was declared a surplus in the MOVCON budget and transferred to the Transport Section.

13. Further, OIOS did not find any evidence to support that the CPO reviewed the revised quarterly acquisition plans and advised requisitioners what proportion of these plans could be achieved within the current procurement period. Prior to the audit, the CPO was not aware that it was the responsibility of the PS to advise requisitioners what proportion of these plans can be achieved within the current acquisition plan period. The Director of Mission Support (DMS) agreed that the CPO should review acquisition plans and advise requisitioners regarding the implementation of the acquisition plans.

14. The identified deficiencies in the quarterly revised acquisition plans process may expose the Mission to the risk of not obtaining the required goods and services to meet the dynamic requirements of the Mission.

Recommendations 1 and 2

(1) The UNMIL Office of Mission Support should ensure that all self-accounting units conduct adequate reviews of their respective requirements during revisions to the acquisition plans to address the dynamic needs of the Mission.

(2) The UNMIL Chief Procurement Officer should review the revised quarterly acquisition plans and advise requisitioners on the proportion of the plans that should be achieved within the current procurement period.

15. *The UNMIL Office of Mission Support accepted recommendation 1 and stated that the self-accounting units (SAUs) conduct regular reviews of the acquisition plans and reflect the updated status on the Quarterly Acquisition Plan Reports. Recommendation 1 remains open pending OIOS verification of adequate reviews conducted by SAUs during revisions to the Quarterly Acquisition Plans.*

16. *The UNMIL Office of Mission Support accepted recommendation 2 and stated that quarterly reviews of acquisition plans are done by the Chief Procurement Officer. Recommendation 2 remains open pending evidence of quarterly Acquisition Plans reviewed by the Chief Procurement Officer and advise to requisitioners what proportion of the plans could be achieved within the current procurement period.*

B. Requisitioning

17. Section 8 of the PM provides guidelines for developing acquisition plans. The role of the requisitioners is to ensure that acquisition plans provide a full and comprehensive picture of the procurement needs and guide the Mission's procurement activities, especially regarding the type of goods and/or services needed, and the date required to be delivered to fulfill the identified requirement.

18. In 13 out of 20 cases reviewed, the requisitioners did not provide adequate assurance of an in-depth analysis of the requirements in formulating and determining the actual needs of the concerned SAU and the timeframe the related goods and services should be delivered to the Mission.

19. In addition, requisitions were not conducted in accordance with the acquisition plans. Nine of the 20 requisitions were raised late (i.e. very close to the dates when the related goods were required to be delivered). This resulted in essential items such as food rations for contingents, security related training materials, generators, spare parts, and steel for different engineering projects not being received in a timely manner. Delays in receiving the items ranged from three to 24 months from the date when the items were required. In eight other cases, the related goods were still outstanding at the end of 2007/2008 procurement period.

20. In 11 of the 20 cases tested, approved requisitions were revised by adding or deleting some items from the requisition and to encumber additional funds. For instance, requisition 8SUP-28 was revised four times to encumber additional funds and to add two new line items. Two of the amended requisitions (7ENG-122/2 and 7SUP-86/4) during 2007/2008 were raised in 2006/2007 against the acquisition plans for that fiscal year. Requisition 7ENG-122/2 was created on 30 August 2006 and amended on 24 June 2008. It included 12 items of which seven were cancelled, and five received on 25 June 2008, after two years.

21. The DMS stated that the shortfalls in the analysis and assessment in determining requirements were due to lack of competent staff and high staff turnover. He stressed the need for training to be provided to requisitioners.

22. The lack of adequate analysis and assessment in determining requirements may result in acquisition plans that do not reflect the actual needs of the Mission and lead to delays in deliveries of goods and services.

Recommendation 3

(3) The UNMIL Office of Mission Support should ensure that requisitioners adequately analyze and assess the type of products or services required, and initiate requisitions in a timely manner.

23. *The UNMIL Office of Mission Support accepted recommendation 3 and stated that the assessment of goods/services required is done through the planning and implementation of the acquisition plans. The Office of Director of Mission Support has put into place a key performance indicator which has a target of 65 per cent of funds obligated by end of December 2009. Recommendation 3 remains open pending OIOS verification of goods and services required are adequately analyzed and assessed by requisitioners and requisitions initiated in a timely manner.*

C. Policies and procedures

Dissemination of procurement manual and related instructions

24. Paragraph 1 (10) of the PM states that all staff members are required to comply with the provisions of the PM. This includes procurement officers as well as staff members of the requisitioning offices.

25. Thirty nine out of the 42 (93 per cent) requisitioners were not on the official distribution list for updates to the PM, guidelines and related instructions. In addition, six out of the 15 COs were not on the distribution list. Besides, the current PM, June 2008 Rev. 05, was not readily available for regular use and reference by six of the seven SAUs including the GSS, PIO, Supply, CITS, Transport and Engineering, when inquired to provide a copy.

26. The main cause for the lack of familiarity with the UN procurement procedures is high staff turnover, limited dissemination of PM and procurement related instructions. This may affect the fairness, integrity and transparency of the procurement process that could damage the credibility of the UN.

Recommendation 4

(4) The UNMIL Office of Mission Support should ensure that all staff members involved in the various stages of procurement processes directly receives all procurement updates and instructions from the Office of Mission Support and Procurement Section.

27. *The UNMIL office of Mission Support accepted recommendation 4 and stated that in addition to sending information directly to all staff members involved in the various stages of procurement process, all such relevant documents will be placed on the UNMIL intranet. Recommendation 4 remains open pending OIOS verification of procurement updates and instructions from the Office of Mission Support and Procurement Section received by all staff members involved in the various stages of the procurement process.*

Specifications

28. Section 8.2.1 of the PM provides guidelines for preparing specifications and states that requisitioners should, to the extent possible, use generic specifications in order to achieve maximum competition and Best Value for Money (BVM). Specifications should not refer to brand names, catalogue numbers or types of product from a particular manufacturer except when it has been decided that it is necessary to do so in order to guarantee the inclusion of a particular essential design.

29. Eleven out of 20 requisitions selected for testing included specifications, which were unnecessarily restrictive, ambiguous, referred to brand names and specific manufacturer products without prior approvals and justifications as detailed below:

- Eight of the requisitions included ambiguous specifications. For instance, requisition number 8ENG- 84/2 includes descriptions such as “supply crushed stone, 40mm, to Star Base” but does not mention the strength or any industry quality standard. This insufficiently described requirement puts prospective suppliers in a position to decide which type of stone to supply, which may in turn result in supply of cheaper and poor quality crushed stones.
- In three other cases, specifications provided in the requisitions were either restrictive, referred to brand names and/or specific manufacturer products without appropriate justifications and approvals. For example, requisition 8SUP-86/1 was restrictive and referred to the exact product details of a company called ‘Defense Technology’. As result, only two bids were received by the Mission out of 22 prospective vendors invited to bid for the supply of security related goods. The contract was awarded to the Defense Technology.

30. During the course of interviews held on 3 and 4 March 2009, all the requisitioners acknowledged that they needed training in drawing up specifications. The DMS stated that drawing up specifications is a weak area and agreed to provide training to the requisitioners.

31. Specifications which are vague or referring to specific manufacturer products may limit competition among vendors and may not be in the best interest of the UN.

Recommendation 5

(5) The UNMIL Office of Mission Support should provide training to requisitioners to equip them with the necessary skills to draw up specifications to promote greater competition and obtain the best value for money for the goods and/or services secured.

32. *The Office of Mission Support accepted recommendation 5 and stated that training on "specification writing" will be held within 2009/10 financial year. Recommendation 5 remains open pending OIOS review of training on specification writing provided to requisitioners.*

Reviews and approval by Certifying Officers (COs)

33. Section 8.3.1 (4) of the PM states that COs are responsible to review all requests for goods and services in order to establish the actual need for the requirement before certifying the requisition and then transmitting it to PS.

34. Only one out of 30 requests checked was reviewed and approved by the CO prior to establishing and approving the relevant requisition in Mercury, the procurement system software used in the Mission. The DMS attributed the deficiencies in conducting the required reviews by the COs to a lack of awareness and agreed to provide training to the COs.

35. COs disregarding the reviews and approvals control process may lead the Mission to acquiring goods and services without needs.

Recommendation 6

(6) The UNMIL Office of Mission Support should ensure that all Certifying Officers in UNMIL carry out the necessary reviews and approvals on all requests for goods and/or services before establishing and certifying requisitions.

36. *The UNMIL Office of Mission support accepted recommendation 6 and stated that Director of Mission Support will issue a memo to all Certifying Officers reminding them of their obligations according to the UN Financial Rules and Regulations. Recommendation 6 remains open pending OIOS verification of the necessary reviews and approvals carried out by Certifying Officers on all requests for goods and services before establishing and certifying requisitions.*

Best Value for Money Principles

37. Section 8.4 of the PM states that requisitioners shall apply the BVM principles when undertaking acquisition plans and when establishing the specifications for goods and services amongst other things. Further, Section 1.5

(8) of the PM requires that all those involved in the procurement process to establish the steps taken to achieve BVM through proper documentation and filing. The BVM factors to be considered and documented include the entire cost components, non-cost factors such as the quality and reliability of suppliers, market conditions, and the risk factors associated with the goods and/or services that may put in danger the successful outcome of the orders to be made by the Mission.

38. OIOS reviewed the original acquisition plan for the fiscal year 2007/2008 with the quarterly revised acquisition plans, and a sample of 30 requisitions selected from approved requisitions issued by the Mission within the same period. Audit queries through the PS and follow up discussions with requisitioners indicated that the BVM factors were not considered and documented. There was no verifiable evidence showing that the BVM principles were considered and applied by requisitioners especially when developing or revising acquisition plans and when establishing the specifications for goods and services as required by the PM. The DMS stated that BVM is in its infancy in the Mission and acknowledged that requisitioners need to be educated about the application of the BVM principles.

39. Shortage of staff skilled in applying the BVM principles in the procurement requisitioning process may come in the way of the Mission from deriving the maximum benefits.

Recommendation 7

(7) The UNMIL Office of Mission Support should ensure that all personnel involved in the procurement requisitioning process are equipped with the required skill set to apply the Best Value for Money principles in the procurement of goods and services.

40. *The UNMIL Office of Mission Support accepted recommendation 7 and stated that Procurement Section held a session on Best Value for Money in February 2009. The session will be repeated at least twice in 2009/10 financial year. Recommendation 7 remains open pending OIOS verification of Best Value for Money principles applied in the procurement requisitioning process by requisitioners.*

Establishing a timeline for the procurement process

41. Section 8.2.2 of the PM requires requisitioners to establish at what time an identified need is to be fulfilled and provide adequate lead-time to PS in order to properly conduct the procurement process. Annex D-20 of the PM illustrates standard timelines for various procurement activities.

42. In 13 out of 15 requisitions tested, adequate lead-time was not provided to PS to properly conduct the procurement process within the time frame given. Invitation to Bid (ITB) method of solicitation was used for six requisitions. The lead-time given by requisitioners ranged from 11 to 28 working days. The standard timeline for ITB solicitation methods ranges from 108 to 218 working days. Request for Quotation (RFQ) method was used for another four cases with actual timeline of seven to 29 working days in comparison to the standardized 29 to 81 working days for RFQ solicitation method. Request for Proposal (RFP) solicitation method was used for the remaining three requisitions with 21 to 97 working days lead-time given as against 145 to 408 working days typical timeline. For instance, requisition number 8ENG-180 was approved by the CO on 1 March 2008, and gave the PS 40 calendar days (i.e. 29 working days) to deliver the goods (by 9 April 2008) which is not a realistic time frame for RFP method of solicitation.

43. Providing short notice for procurement to acquire goods and/or services could limit the competition and carries its attendant risks of supplies procured at inflated prices and/or the Mission procuring sub-standard goods and/or services.

Recommendation 8

(8) The UNMIL Office of Mission Support should ensure that all requisitioning offices in UNMIL provide adequate lead-time to the Procurement Section to properly conduct the procurement process; and the Chief Procurement Officer prepares a periodic report for the Director of Mission Support to monitor compliance of the self accounting units' adherence to the established lead-times.

44. *The UNMIL Office of Mission Support accepted recommendation 8 and stated that requisitions with inadequate and unrealistic lead times will be returned by the Chief Procurement Officer to the concerned self - accounting units. Recommendation 8 remains open pending OIOS verification of adequate lead time provided by requisitioning offices to the Procurement Section.*

Immediate Operations Requirement (IOR) or Exigencies

45. Section 9.5.2 of the PM defines IOR as “an exceptional compelling and emergent need, not resulting from poor planning or management or from concerns over the availability of funds, that will lead to serious damage, loss or injury to property or persons if not addressed immediately.

46. Only one out of 10 IOR requisitions reviewed met exigency conditions. Other nine IOR requisitions related to goods and services such as construction of generator sheds, purchase of ceiling fans for tents at the Transit Camp in RIA, spare parts for off road vehicles, supply of various plumbing materials, etc,

without supporting evidence to demonstrate the requirement is for an exceptional and emergent need and will lead to serious damages, loss or injury to property or persons if not addressed immediately. For example, requisition No 9SUM-1 for the purchase of generator parts is not supported by any justification or authorization documents to give details of the factual circumstances to warrant the procurement on exigency basis. The notes in the requisition merely state to issue the requisition as an IOR.

47. OIOS review of IOR requisitioning process showed that there is no system for the management to monitor and control the volume and the activities of IOR requisitions. The CPO confirmed that the Mercury System does not include a feature to sort all IOR requisitions separately other than to highlight as an exigency if the relevant tick box is activated by requisitioners. In addition, there is no reliable and complete list of IOR requisitions maintained by issuing offices. Further, only two out of 10 requisitions issued by various requisitioners were highlighted in the Mercury System as exigencies due to omission on the part of the requisitioners when preparing requisitions. Thus, there are no reliable and readily available records of IOR requisitions for the management to review and monitor the volume of IOR requisitions.

48. The DMS confirmed that he signed all the IOR requisitions due to pressing needs. However, poor planning, lack of control mechanism for the management to monitor IOR activities and the issuance of IOR requisitions which do not conform to exigency conditions may lead the Mission to increased volumes of IOR requisitions with unacceptable rationale that may result in increased costs, lack of transparency and limited competition.

Recommendations 9 and 10

(9) The UNMIL Office of the Mission support should ensure that all Immediate Operations Requirement requisitions raised meet exigency conditions as specified in the Procurement Manual and are adequately documented.

(10) The UNMIL Office of Mission Support should request from the Mercury System Administrators to enable the system with additional features to facilitate monitoring and controls over the activities and volume of Immediate Operations Requirement requisitions. In the meantime, the Procurement Section should prepare periodic reports of exigencies for review by the Director of the Mission Support.

49. *The UNMIL Office of Mission Support accepted recommendation 9 and stated that all Immediate Operations Requirements have to first be approved by the Chief Integrated Support Services and/or the Chief Administrative Services to ensure that the requisitions raised meet exigency conditions. Then the memo must*

be signed off by the Director of Mission Support. Recommendation 9 remains open pending verification of Immediate Operations Requirements requisitions meet exigency conditions and are adequately documented.

50. *The UNMIL Office of Mission Support accepted recommendation 10 and stated that the Procurement Section prepared periodic reports of exigencies for review by the Director of Mission Support. Based on the action taken by UNMIL, recommendation 10 has been closed.*

Monitoring and control of purchase of Low-Value Items

51. Section 3.2.2 of Field Finance Procedure Guidelines (2006 Rev. 1) provides guidelines for *Direct Expenditures* processed as Low-Value Items (under \$2,500). The goods and services purchased through this system should not be recurring in nature and used only on exceptional basis. Care must be taken to ensure that the limit of \$2,500 is not being circumvented by splitting the invoices for related goods or from the same vendor. Each Mission is also required to monitor the usage of such expenses.

52. OIOS reviewed 39 items selected from the list of 74 Short Form purchase orders used for the procurement of low-value items. It was noted that 21 of the items related to purchase of goods which are recurring in nature and with a total value in excess of the threshold as detailed below:

- The Engineering Section used Short Form purchase orders to acquire building materials on 17 occasions from July 2007 to May 2008 of which 12 were made from two suppliers. Plank wood, doors and paints totaling UD\$7,369 were split into three separate invoices and obtained in November 2007; December 2007 and January 2008.

- The Transport Section purchased vehicle spare parts through the system at least once a month from January to March 2008. The limit of \$2,500 was circumvented by splitting invoices for related items into four separate invoices with a total value of US\$6,512.50.

53. OIOS review of Short Form purchase orders revealed that there is no system in place for the management to monitor and control the usage of such expenses. SAUs or Sections did not set up any reliable mechanism that can be used to monitor purchases made through Short Form purchase orders. Payments of these invoices are made directly to vendors by the Finance Section. However, the Finance Section does not maintain a system that can readily be used to identify and monitor them separately. Lack of monitoring and controls mechanism for the purchase of low-value items in place exposes the Mission to the risk of SAUs bypassing the normal procurement processes and foregoing the advantages of obtaining volume discounts.

54. The DMS agreed to initiate a mechanism that would review Short Form purchases on a monthly basis.

Recommendation 11

(11) The UNMIL Office of Mission Support should ensure that a mechanism to monitor Low -Value Items is in place to avoid abuse of the system.

55. *The UNMIL Office of Mission Support accepted recommendation 11 and stated that they will ensure that direct expenditures should only occur on exceptional basis, and the Office will put in procedures to avoid abuse of the system.* Recommendation 11 remains open pending verification of a mechanism put in place to monitor Low-Value Items to avoid abuse of the system.

V. ACKNOWLEDGEMENT

56. We wish to express our appreciation to the Management and staff of UNMIL for the assistance and cooperation extended to the auditors during this assignment.

STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
1	The UNMIL Office of Mission Support should ensure that all self-accounting units conduct adequate reviews of their respective requirements during revisions to the acquisition plans to address the dynamic needs of the Mission.	Operational	High	O	Verification of adequate reviews of their respective requirements conducted by SAUs during revisions to the quarterly acquisition plans.	31 October 2009
2	The UNMIL Chief Procurement Officer should review the revised quarterly acquisition plans and advise requisitioners on the proportion of the plans that should be achieved within the current procurement period.	Compliance	Medium	O	Evidence of quarterly Acquisition Plans reviewed by the Chief Procurement Officer and advise to requisitioners what proportion of the plans could be achieved within the current procurement period.	31 October 2009
3	The UNMIL Office of Mission Support should ensure that requisitioners adequately analyze and assess the type of products or services required, and initiate requisitions in a timely manner.	Operational	High	O	Verification of the types of goods and services required are adequately analyzed and assessed by requisitioners and requisitions initiated in a timely manner.	31 October 2009
4	The UNMIL Office of Mission Support should ensure that all staff members involved in the various stages of procurement processes directly receives all procurement updates and	Governance	High	O	Verification of all procurement updates and instructions from the Office of Mission Support and Procurement Section received by all staff members involved in the	From August 2009

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
	instructions from the Office of Mission Support and Procurement Section.				various stages of the procurement process.	
5	The UNMIL Office of Mission Support should provide training to requisitioners to equip them with the necessary skills to draw up specifications to promote greater competition and obtain the best value for money for the goods and/or services secured.	Human Resources	High	O	Review of training on specification writing provided to requisitioners.	Between September and December 2009
6	The UNMIL Office of Mission Support should ensure that all Certifying Officers in UNMIL carry out the necessary reviews and approvals on all requests for goods and/or services before establishing and certifying requisitions.	Compliance	High	O	Verification of the necessary reviews and approvals carried out by Certifying Officers on all requests for goods and services before establishing and certifying requisitions.	31 October 2009
7	The UNMIL Office of Mission Support should ensure that all personnel involved in the procurement requisitioning process are equipped with the required skill set to apply the Best Value for Money principles in the procurement of goods and services.	Human Resources	Medium	O	Verification of Best Value for Money principles applied in the procurement requisitioning process by requisitioners.	September – December 2009 January – March 2010
8	The UNMIL Office of Mission Support should ensure that all requisitioning offices in UNMIL provide adequate lead-time to the Procurement Section to properly conduct the procurement	Compliance	Medium	O	Verification of adequate lead time provided by all requisitioning offices to the Procurement Section to properly conduct the	31 October 2009

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
9	<p>process; and the Chief Procurement Officer prepares a periodic report for the Director of Mission Support to monitor compliance of the self-accounting units' adherence to the established lead-times.</p> <p>The UNMIL Office of Mission Support should ensure that all Immediate Operations Requirement requisitions raised meet exigency conditions as specified in the Procurement Manual and are adequately documented.</p>	Operational	Medium	O	<p>procurement process.</p> <p>Verification of all Immediate Operations Requirements meet exigency conditions and are adequately documented.</p>	31 October 2009
10	<p>The UNMIL Office of Mission Support should request from the Mercury System Administrators to enable the system with additional features to facilitate monitoring and controls over the activities and volume of Immediate Operations Requirement requisitions. In the meantime, the Procurement Section should prepare periodic reports of exigencies for review by the Director of the Mission Support.</p>	Information Technology	Medium	C	Action Taken	01 July 2009
11	<p>The UNMIL Office of Mission Support should ensure that a mechanism to monitor Low-Value Items is in place to avoid abuse of the system.</p>	Compliance	Medium	O	<p>Verification of a mechanism put in place to monitor Low-Value Items to avoid abuse of the system.</p>	31 October 2009

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

ANNEX 2

*Use this page if the orientation of Annex 2 is portrait. If the orientation is landscape, insert a section break at the end of Annex 1 and continue on the new page. (On the **Insert** menu, point to **Break**, select **Next page** under **Section break types**.) Leave the page blank if not required; do not delete it.*