

Confidential

TO: Mr. Gurpur Kumar, Deputy Director,
A: Internal Audit Division,
Office of Internal Oversight Services

DATE: 30 July 2012

REFERENCE:

THROUGH:

S/C DE:

FROM: Anthony Banbury, Assistant Secretary-General
DE: Department of Field Support

SUBJECT: **Draft OIOS report on the audit of acquisition of information and
OBJET: communications technology (ICT) equipment, software and services for
peacekeeping operations – Assignment no. AT2011/615/02**

1. I refer to your memorandum dated 10 July 2012, regarding the above-mentioned audit. Please find below DFS comments on the findings and recommendations contained in the draft report.

Regulatory framework

2. Paragraph 30: DFS reiterates its earlier comments concerning items 1 to 9 of table 3, that it followed the procedures in place at the time of initiating the standardization cases. DFS further clarifies that that the authority for approval of these cases rests with the Office of Information and Communications Technology (OICT). Nonetheless, the Department will implement the recommendation for new and extended standardization cases in accordance with the updated OICT procedures.

Recommendations

3. DFS comments on the recommendations are contained in the attached matrix.

4. Thank you for the opportunity to comment on the draft report. We stand ready to provide any further information that may be required.

cc: Mr. Takasu
Mr. Soon-Hong
Mr. Dovgopoly
Ms. Wong

AUDIT RECOMMENDATIONS

Audit of the acquisition of information and communications technology (ICT) equipment, software and services for peacekeeping operations

Rec. no.	Recommendation	Critical ¹ / important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The Department of Field Support should establish clear procedures for the missions to populate the contract number field of each purchase order in Mercury.	Important	Yes	Chief, FPLT	First quarter 2013	DFS agrees in principle that missions should include all required information on purchase orders related to contracts in the Mercury system. However, it should be noted that not all purchase orders are linked to a related contract, since some are issued as stand alone contractual documents, as opposed to being issued against a systems contract or other pre-existing contract. Nonetheless, DFS will inform the missions accordingly.
2	The Department of Field Support (DFS) should, in coordination with the Controller's Office, update the delegation of authority procedure issued to the missions with the requirement to obtain the approval of DFS on all ICT requisitions submitted to the Regional Procurement Office in Entebbe.	Important	Yes	Chief, FPLT	First quarter 2013	DFS clarifies that matters concerning the delegation of procurement authority fall under the purview of the Assistant Secretary-General, Office of Central Support Services, Department of Management (OCSS/DM), and not the Office of the Controller, as stated in the recommendation. DFS will liaise with OCSS/DM as required, to determine the most appropriate method of addressing technical clearance procedures as related to the delegation of procurement authority.

¹ Critical recommendations address significant and/or pervasive deficiency or weakness in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Rec. no.	Recommendation	Critical ¹ / important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3	The Department of Field Support should establish procedures for obtaining annual vendor performance reports from the missions that have utilized ICT equipment, software and services through established systems contracts.	Important	Yes	Director, ICTD	First quarter 2013	DFS comments are reflected in paragraph 27 of the report.
4	The Department of Field Support should ensure that its ICT standards are consistently supported by technical and economic reviews comparing alternative products.	Important	Yes	Director, ICTD	Third quarter 2013	DFS comments are reflected in paragraph 30 of the report.
5	The Office of Information and Communications Technology should update the ICT standardization procedures requiring: (i) justification, including market analysis prior to extending existing ICT standards; (ii) identification of products included in standardized families of products; and (iii) indication of whether a standard is intended for continuity of support of existing applications or for supplementing new initiatives.	Important	N/A	N/A	N/A	N/A
6	The Department of Field Support, in coordination with the Procurement Division and the Office of Information and Communications Technology, should: (i) remove non-standard items from existing systems contracts; and (ii) develop procedures to ensure that systems contracts are not modified with the addition of non-standard items.	Important	Yes	-	-	This recommendation falls within the purview of Procurement Division of the Department of Management and the Office of Information and Communications Technology (OICT). DFS will work closely with the two offices to implement the recommendation.
7	The Department of Field Support should ensure that the statements of work for ICT procurement do not mention brand names of non-standard items, in compliance with the Procurement Manual.	Important	Yes	Director, ICTD	First quarter 2013	DFS comments are reflected in paragraph 43 of the report.

TO: Ms. Fatoumata Ndiaye, Director
A: Internal Audit Division, Office of Internal Oversight Services

DATE: 31 July 2012

THROUGH: Neeta Tolani, Director *Neeta Tolani*
S/C DE: Office of the Under-Secretary-General for Management

REFERENCE:

Mario Baez
FROM: Mario Baez, Chief, Policy and Oversight Coordination Service
DE: Office of the Under-Secretary-General for Management

SUBJECT: **Additional comments - Assignment no. AT2011/615/02 – audit of the acquisition of information and communications technology (ICT) equipment, software and services for peacekeeping operations**
OBJET: **of information and communications technology (ICT) equipment, software and services for peacekeeping operations**

1. With reference to your memorandum of 10 July 2012 and our response of 24 July 2012 on the draft report of the subject audit, we provide additional comments by the Office of Central Support Services (OCSS) with regard to recommendation 6 in Annex I.
2. OCSS wishes to emphasize that recommendation 6 will be implemented jointly by the Department of Field Support (DFS) in coordination with the Office of Information and Communications Technology (OICT) and OCSS in the Department of Management as recommended by OIOS. OCSS will support DFS and OICT to the fullest extent possible in order to implement this recommendation in a timely manner.
3. Thank you for providing the opportunity to comment on the draft report.

*12-02008
1 Aug 2012*

AUDIT RECOMMENDATIONS

Audit of the acquisition of information and communications technology (ICT) equipment, software and services for peacekeeping operations

Rec. no.	Recommendation	Critical/ ¹ important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The Department of Field Support should establish clear procedures for the missions to populate the contract number field of each purchase order in Mercury.	Important				
2	The Department of Field Support (DFS) should, in coordination with the Controller's Office, update the delegation of authority procedure issued to the missions with the requirement to obtain the approval of DFS on all ICT requisitions submitted to the Regional Procurement Office in Entebbe.	Important				
3	The Department of Field Support should establish procedures for obtaining annual vendor performance reports from the missions that have utilized ICT equipment, software and services through established systems contracts.	Important				
4	The Department of Field Support should ensure that its ICT standards are consistently supported by technical and economic reviews comparing alternative products.	Important				

¹ Critical recommendations address significant and/or pervasive deficiency or weakness in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Rec. no.	Recommendation	Critical ¹ / important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
5	The Office of Information and Communications Technology should update the ICT standardization procedures requiring: (i) justification, including market analysis prior to extending existing ICT standards; (ii) identification of products included in standardized families of products; and (iii) indication of whether a standard is intended for continuity of support of existing applications or for supplementing new initiatives.	Important				
6	The Department of Field Support, in coordination with the Procurement Division and the Office of Information and Communications Technology, should: (i) remove non-standard items from existing systems contracts; and (ii) develop procedures to ensure that systems contracts are not modified with the addition of non-standard items.	Important	Yes		31.12.12	<p>(i) (a) As regards the removal of non-standard items from existing system contracts, the Procurement Division (PD) notes that the first contract to which this recommendation relates (for HP service centre) will be replaced by September 2012. As such, it is not feasible to amend this contract at this stage. Since the existing contract will not be valid after September 2012, OCSS requests the withdrawal of that part of the recommendation that deals with the HP service centre contract.</p> <p>(b) The second contract to which the recommendation refers, the Motorola equipment contract, relates to the procurement of proprietary commodities. In this connection, OCSS wishes to underscore the fact that proprietary commodities are owned/licensed under exclusive</p>

Rec. no.	Recommendation	Critical/ important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>right of the copyright holder. Consequently, in the case of proprietary commodities, it is not generally feasible to procure related services through open competition. As such, this contract had been amended to include complementary and proprietary service packages from the licensed copyright holder for the equipment.</p> <p>For legal, commercial and operational reasons, the amendment referred to in paragraph 40 (iii) of the Audit Report will be retained in the Motorola contract. However, OCSS understands that the standard will be amended by OICT to more accurately reflect the requirements of proprietary acquisitions. This will ensure future consistency between the organisational standard and the commodities/services required.</p> <p>(ii) With respect to the development of new procedures for preventing the inclusion of non-standard items in system contracts, OCSS understands that the Architecture and Review Board (ARB) has already been established by OICT to revise and govern standardisation procedures. This will facilitate</p>

Rec. no.	Recommendation	Critical/ important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						the management of enterprise technology architecture and standards, and the process of identifying compatible families, versions and models of products. Thus, OCSS will amend the procurement guidelines in order to require the approval of the ARB, where warranted.
7	The Department of Field Support should ensure that the statements of work for ICT procurement do not mention brand names of non-standard items, in compliance with the Procurement Manual.	Important				

TO: Ms. Fatoumata Ndiaye, Director
A: Internal Audit Division, Office of Internal Oversight Services

DATE: 24 July 2012

THROUGH: Neeta Tolani, Director *N Tolani*
S/C DE: Office of the Under-Secretary-General for Management

REFERENCE:

FROM: Mario Baez, Chief, Policy and Oversight Coordination Service
DE: Office of the Under-Secretary-General for Management

*Can I submit for
Mario Baez 24/7/2012*

SUBJECT: **Assignment no. AT2011/615/02 – audit of the acquisition of information and communications technology (ICT) equipment, software and services for peacekeeping operations**
OBJET: **communications technology (ICT) equipment, software and services for peacekeeping operations**

1. This refers to your memorandum of 10 July 2012 requesting the Administration to provide comments on the draft report of the subject audit.
2. Please find attached the comments of OICT to recommendation 5 in Annex I of the subject audit. As stated in Paragraph 39 of the draft audit report, IAD 12-00487:

“39. OICT accepted recommendation 5 and stated that on 19 April 2012 it issued a new Organization-wide policy on the ICT Architecture and Standards Management Process. The revised standardization forms and procedures require justifications for new and revised standardization cases, including evaluation of competing products, cost-benefit analysis and fit with existing technology architecture. The new process requires identification of particular products included in the families of products and indication of product versions/models. In addition, OICT established the new Architecture and Review Board (ARB) to assist in managing the enterprise technology architecture and standards. Based on the action taken by OICT, recommendation 5 has been closed.”

3. In this regard, OICT requests that the recommendation be shown as closed in Annex I of the final report.
4. Thank you for providing the opportunity to comment on the draft report

*12-01932
24 July 2012*

AUDIT RECOMMENDATIONS

Audit of the acquisition of information and communications technology (ICT) equipment, software and services for peacekeeping operations

Rec. no.	Recommendation	Critical/ important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The Department of Field Support should establish clear procedures for the missions to populate the contract number field of each purchase order in Mercury.	Important				
2	The Department of Field Support (DFS) should, in coordination with the Controller's Office, update the delegation of authority procedure issued to the missions with the requirement to obtain the approval of DFS on all ICT requisitions submitted to the Regional Procurement Office in Entebbe.	Important				
3	The Department of Field Support should establish procedures for obtaining annual vendor performance reports from the missions that have utilized ICT equipment, software and services through established systems contracts.	Important				
4	The Department of Field Support should ensure that its ICT standards are consistently supported by technical and economic reviews comparing alternative products.	Important				

¹ Critical recommendations address significant and/or pervasive deficiency or weakness in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Rec. no.	Recommendation	Critical/ important?	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
5	The Office of Information and Communications Technology should update the ICT standardization procedures requiring: (i) justification, including market analysis prior to extending existing ICT standards; (ii) identification of products included in standardized families of products; and (iii) indication of whether a standard is intended for continuity of support of existing applications or for supplementing new initiatives.	Important	Yes	Mr. Andrey Shumikhin, Chief, Policy, Architecture and Standards Section, SMS/OICT/DM	19 April, 2012	19 April 2012 OICT issued a new Organization-wide policy on the ICT Architecture and Standards Management Process. The revised standardization forms and procedures require justifications for new and revised standardization cases, including evaluation of competing products, cost-benefit analysis and fit with existing technology architecture. The new process requires identification of particular products included in the families of products and indication of product versions/models. In addition OICT established the new Architecture and Review Board (ARB) to assist in managing the enterprise technology architecture and standards.
6	The Department of Field Support, in coordination with the Procurement Division and the Office of Information and Communications Technology, should: (i) remove non-standard items from existing systems contracts; and (ii) develop procedures to ensure that systems contracts are not modified with the addition of non-standard items.	Important				
7	The Department of Field Support should ensure that the statements of work for ICT procurement do not mention brand names of non-standard items, in compliance with the Procurement Manual.	Important				