



INTERNAL AUDIT DIVISION

REPORT 2024/045

Audit of procurement activities in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

MONUSCO needed to address weaknesses in the key aspects of procurement activities, including procurement risk management, technical evaluation of offers, and utilizing existing stocks before procuring additional items

**27 September 2024
Assignment No. AP2023-620-03**

Audit of procurement activities in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of procurement activities in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO). The objective of the audit was to assess the efficiency and effectiveness of procurement activities in MONUSCO. The audit covered the period from July 2020 to June 2023 and included: (a) oversight of the procurement activities; (b) requirements definition, solicitation and receipt of offers; and (c) evaluation of offers and contract award.

MONUSCO established the Local Committee on Contracts, which held regular meetings and reviewed procurement activities. Procurement staff were appropriately shown in Umoja against the amounts they were authorized to approve in accordance with the delegation of authority.

However, the audit indicated that MONUSCO needed to address weaknesses in the key aspects of procurement activities. There were lapses in the technical and commercial evaluation of offers, including instances when the technical evaluation committee changed the evaluation criteria after the bidding process had been completed. The risk assessment at the procurement planning stage was not comprehensive enough to include significant risks, including fraud and corruption, unethical conduct by potential bidders, and delay in procuring critical project requirements. Additionally, the members of the technical evaluation committee had not undertaken appropriate training and did not consistently sign the conflict of interest and confidentiality prior to conducting technical evaluations. Not all procurement staff had obtained the required professional certification and completed the mandatory procurement courses.

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

- Regularly monitor the completion of mandatory training and professional certifications of procurement staff to improve compliance with related policies and enhance the control environment for procurement activities;
- Enhance the source selection plan by including realistic timelines and the more significant contract-specific risks (including the risks of fraud and corruption and of delayed implementation of procurement activities) and related mitigation measures;
- Take measures to ensure that low-value acquisition checklist is consistently completed, reviewed and approved prior to using this method of solicitation;
- Develop and implement a mechanism to ensure that verification of quantities in stock is conducted prior to commencing procurement action;
- Budget for and define timelines for the implementation of Ariba software;
- Enhance the technical evaluation of offers by: (a) putting in place a quality assurance mechanism for the technical evaluation scoring sheets prepared by the technical evaluation committee; and (b) providing training to the members of the technical evaluation committee and requesting them to consistently sign the declaration of confidentiality and conflict of interest prior to evaluating the bids; and
- Ensure the Procurement Section compiles a formal report detailing the quotations received, their time of receipt, and the amount quoted by each bidder.

MONUSCO accepted the recommendations, implemented one of them, and has initiated action to implement the remaining recommendations.

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Audit of procurement activities in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of procurement activities in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO).
2. Procurement of goods, services and works is a key function that supports the Mission towards fulfilling its mandate. Procurement activities are governed by the Procurement Manual and Financial Regulations and Rules of the United Nations. The following general principles of the Financial Regulations and Rules shall be given due consideration when conducting procurement activities: (a) best value for money; (b) fairness, integrity and transparency; (c) effective international competition; and (d) the interest of the United Nations.
3. The procurement activities include: (a) drafting and approving specifications, statement of works (SOWs) and terms of reference; (b) identifying and registering vendors; (c) developing and sending solicitations to potential vendors; (d) receiving and evaluating bids or proposals; (e) reviewing and approving awards of contracts; and (f) handling vendor protests or disputes. Procurement contracts shall be awarded based on effective competition that include: (a) acquisition planning for an overall procurement strategy and procurement methodologies; (b) market research for identifying potential suppliers; (c) formal methods of solicitation, namely invitations to bid (ITBs) or requests for proposals (RFPs); and/or (d) informal methods of solicitation, namely requests for quotations (RFQs) and low-value acquisitions (LVAs).
4. In MONUSCO, the Procurement Section is responsible for procuring goods, services, and works in collaboration with the Acquisition Planning Section (APS). Both the Procurement Section and APS are under the Supply Chain Management Service. The Procurement Section is headed by a Chief Procurement Officer (CPO) at the P-5 level. The Section has 34 approved posts comprising 13 international staff, 15 national staff and 6 United Nations Volunteers. The 34 posts are distributed as follows: 13 at the Mission's headquarters in Kinshasa, 15 at the Regional Office in Goma, 5 in Beni and 1 in Bukavu.
5. The total value of the contracts for goods, services and works established by MONUSCO through 182 solicitations during the audit period was \$82 million.
6. In addition to the United Nations Global Marketplace and Umoja, MONUSCO used SharePoint and official email accounts to conduct procurement activities. The Procurement Section, requisitioners, tender opening committee (TOC) and the technical evaluation committee (TEC) communicated among themselves via official emails. Procurement staff, who were authorized to communicate with vendors also used a designated email that was indicated on the solicitation documents. Documents created or received during the execution of procurement activities were scanned and uploaded onto the Procurement Section's SharePoint to which access was only granted to authorized staff.
7. Comments provided by MONUSCO are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess the efficiency and effectiveness of procurement activities in MONUSCO.

9. This audit was included in the 2023 risk-based OIOS work plan because the procurement is a critical and essential function with a high financial value and is inherently susceptible to fraud and corruption.

10. OIOS conducted this audit from October 2023 to March 2024. The audit covered the period from July 2020 to June 2023. Based on an activity-level risk assessment, the audit covered higher and medium-risk areas in the procurement activities in MONUSCO, which included: (a) oversight of the procurement activities; (b) requirements definition, solicitation and receipt of offers; and (c) evaluation of offers and contract award.

11. The audit methodology included: (a) interviews with key personnel; (b) assessment of the adequacy of data management practices and processes for SharePoint and use of emails for procurement activities; (c) review of 41 solicitations amounting to \$16.75¹ million out of 182 solicitations conducted during the audit period amounting to \$82 million; (d) review of 41 of 182 tender opening reports and technical and commercial evaluation reports; and (e) analytical review of procurement data.

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

III. AUDIT RESULTS

A. Oversight of the procurement activities

The Local Committee on Contracts was operating per its terms of reference, and the Mission adhered to the delegation of authority thresholds

13. MONUSCO is required to establish an effective Local Committee on Contracts (LCC) to ensure proposed procurement actions comply with the Financial Regulations and Rules and the Procurement Manual. All contracts with an estimated value exceeding \$250,000 should be submitted to the LCC for review and those exceeding \$1 million to the Headquarters Committee on Contracts (HCC).

14. MONUSCO established the LCC, comprising 23 members, including the chairperson, alternate chairperson and three secretaries. The members were drawn from technical sections, legal and finance functions and had undertaken the required training to enhance their effectiveness. OIOS noted that the LCC convened 21 meetings. A review of 17 out of 21 LCC minutes indicated that LCC operated per its terms of reference:

- A minimum of four LCC members attended the meetings.
- The chairperson requested the members to declare any conflicts of interest prior to commencing the review of cases to ensure objectivity.
- The members of the LCC did not participate in meetings that deliberated procurement cases from their sections.

¹ Ten RFQs amounting to \$846,409, 14 ITBs amounting to \$4.0 million, and 17 RFPs amounting to \$11.9 million

- Relevant procurement and requisitioning staff were present to answer questions and provide clarifications.

15. A review of the delegation of authority reports indicated that all eight staff members responsible for approving the procurement of goods, services and works had appropriate delegated authority during the 2020/21 and 2021/22 fiscal years. Their staff identifications were appropriately shown in Umoja against the amounts they were authorized to approve in accordance with the delegation of authority. For fiscal year 2022/2023, one staff member did not have the appropriate delegation of authority as of 30 June 2023; however, the Mission took corrective action as of 31 December 2023.

Need to ensure completion of obligations by procurement staff

Financial disclosure

16. The Secretary-General's bulletin (ST/SGB/2006/6) on financial disclosure and declaration of interest statements prescribes that all staff members who are procurement officers, or whose principal duties involve the procurement of goods and services should declare financial assets and conflict of interests.

17. Twenty-three of 29 Procurement Section staff were required to make financial disclosures to the Ethics Office. However, 7 staff in 2020 and 2021 (or 30 per cent) and 18 staff in 2022 (or 78 per cent) did not declare their financial assets and conflict of interest. This occurred because the instructions from the Ethics Office exempted staff with delegation of authority of up to \$25,000 from declaring their financial assets and conflict of interest. OIOS confirmed that the delegation of authority threshold for the 18 staff was \$25,000 and below.

18. In 2023, the exemption of staff with delegation of authority of up to \$25,000 from declaring their financial assets and conflict of interest was not applicable. However, 8 out of 23 staff (or 35 per cent) did not declare their financial assets and conflict of interest. This occurred as the Mission did not follow up on procurement staff to obtain assurance that they disclosed financial assets and conflict of interest. At the time of the audit report, the Mission had submitted the names of the eight staff to the Ethics Office and a link had been sent to them to file their financial disclosure and conflict of interest statements. The Mission was following up to ensure that they complied by the given deadline of 20 September 2024. Based on the action taken, OIOS did not make a recommendation.

Professional certification

19. Provision 2.3 of the Procurement Manual prescribes that as of 1 January 2021, all procurement staff were required to be professionally certified by an internationally recognized procurement certification authority, such as the Chartered Institute of Purchasing and Supply (CIPS) to the required level, as authorized by the Under-Secretary-General for the Department of Operational Support. As of 30 June 2023, only 13 out of 26 procurement staff (or 50 per cent) were certified by CIPS. Three staff were exempted as they were due to retire, while the rest were at different stages of the certification programme. Due to continued efforts by the Mission, six certified staff joined the Section after the audit period. As of 30 April 2024, 21 out of 32 (or 66 per cent) procurement staff were certified by CIPS.

Mandatory procurement courses

20. Provision 2.3 of the Procurement Manual requires all procurement staff to complete seven mandatory procurement courses, namely: (a) contract management; (b) contractual issues in purchasing; (c) acquisition planning; (d) overview of the Procurement Manual; (e) best value for money; (f) ethics and

integrity in procurement; and (g) fundamentals of procurement. The average completion rate for the seven mandatory procurement courses as of June 2023 was 43 per cent.

21. OIOS follow-up on completion rates as of 30 April 2024 indicated that the Mission had not made significant improvement. Completion rates were low as the Mission did not have an effective mechanism such as monthly monitoring of completion rates and following up with non-compliant staff. Lack of completion of mandatory training and professional certifications could adversely affect procurement staff members' understanding and ability to effectively execute procurement activities.

(1) MONUSCO should regularly monitor the completion of mandatory training and professional certifications of procurement staff to improve compliance with related policies and enhance the control environment for procurement activities.

MONUSCO accepted recommendation 1 and stated that most of the Procurement Section staff had complied. The remaining staff would complete all trainings, mainly newly introduced and revised courses, by December 2025. Regarding Chartered Institute of Purchasing and Supply (CIPS) level four, nine procurement officers required to have accreditation were currently enrolled in and were undertaking courses with financial support provided by the Organization. Meanwhile, no new staff without CIPS level four certification would be recruited.

B. Requirements definition, solicitation and receipt of offers

Need to enhance procurement planning

22. Provision 15.3(g) of the Procurement Manual prescribes that the requisitioner is required to work closely with the procurement staff in identifying potential procurement risks, assessing the impact and probability of the risks, and putting in place mitigating measures. Also, requisitioners should consolidate requirements to leverage economies of scale and reduce transaction costs.

23. The Mission prepared a source selection plan (SSP) for each procurement case, which detailed the technical and commercial evaluation criteria and timelines for executing procurement activities. However, OIOS review of the 41 sampled SSPs showed important gaps:

- Inadequate risk assessment - The risks of fraud and corruption, unethical conduct by potential bidders, delay in procuring critical project requirements, restrictive definition of requirements and other relevant risks were not assessed. This occurred because the procurement case officers were not guided on detailed risk assessment during procurement planning. As a result, significant risks were not mitigated. For example, the audit identified delays (see paragraph 37) that could have been addressed by a comprehensive risk assessment at the individual solicitation planning stage.
- Inadequate monitoring of the timely implementation of procurement activities - The 41 procurement cases reviewed were completed, on average, 166 days past the planned dates indicated in the SSPs. This occurred as the Mission did not define realistic timelines that took into account the various mission-specific factors impacting the procurement activities. The planned dates were based on the general guidance provided in the Procurement Manual. Also, although the Procurement Section had developed a tool to monitor procurement activities, the tool did not include planned dates to facilitate monitoring.

- Non-consolidation of requirements to leverage economies of scale - The Mission used separate contracts and blanket purchase orders to acquire recurring goods and services. For example, during the audit period, the Mission utilized 17 solicitations for the supply of generator spare parts, 13 for construction materials, and 10 for the upgrading of electric systems in its areas of operation. The Procurement Section explained that this was caused by many factors, including the vast size of the host country and the state of the roads, which made it difficult for a single vendor to deliver in various locations timely. However, this analysis and justification were not included in the SSP. Based on OIOS advice, MONUSCO issued a directive to all team leaders and procurement staff to routinely include in the SSPs justifications for not consolidating requirements and identification of existing contracts that could fulfil the requirement and the reasons for not using them.

(2) MONUSCO should enhance the source selection plan by including realistic timelines and the more significant contract-specific risks (including the risks of fraud and corruption and of delayed implementation of procurement activities) and related mitigation measures.

MONUSCO accepted recommendation 2 and stated that the Procurement Section Staff had been reminded through a directive dated 28 August 2024 to, inter alia, ensure that realistic timelines were included in source selection plans and to undertake more detailed risk analyses and include all contract specific risks including fraud and corruption risks, and mitigation measures as may be identified/required. The measures outlined in the directive would be enforced by Chief Procurement Officer, team leaders and the Procurement Section's Administration Team through regular and periodic reviews as well as spot checks.

Need to effectively control the use of low-value acquisitions

24. Provision 6.3.2 of the Procurement Manual on low-value acquisition prescribes that the LVA solicitation method is used for procuring readily available, off-the-shelf or standard specification goods or services, or simple works or services up to \$10,000. It should not be used to purchase goods or services that are available in current global or local systems contracts. Also, the requirements should not be split into multiple solicitations to avoid a formal method of solicitation. If the estimated value of the requirements exceeds \$10,000, the requirement shall be submitted for procurement action through the established procedures.

25. During the audit period, the Mission acquired goods and services valued at \$4.9 million using 1,021 LVAs. OIOS identified procurement of recurring goods and services as shown in table 1, which could have been procured through global or local systems contracts.

Table 1: **Recurring goods and services procured using low-value acquisition**

| Product/service | 2020/21 | | 2021/22 | | 2022/23 | |
|-----------------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|
| | Number of purchase orders | Value (\$) | Number of purchase orders | Value (\$) | Number of purchase orders | Value (\$) |
| News and publicity | 81 | 260,564 | 70 | 167,494 | 133 | 371,050 |
| Motor vehicle repairs | - | - | 17 | 108,054 | 22 | 138,203 |
| Total | 81 | 260,564 | 87 | 275,548 | 155 | 509,253 |

Source: Procurement data from Umoja

26. The Mission explained that LVAs were used for immediate needs especially in outreach activities and that the amount of \$4.9 million in three years was lower than prior periods. However, OIOS noted that the above resulted from non-adherence to the measures that the Mission had put in place to ensure

appropriate use of LVAs. The Mission had developed a checklist to guide the use of LVAs, but it was not consistently used. The checklist contained eight criteria which a requirement had to meet for it to be processed as an LVA. By extensive use of LVA method, the Mission lost an opportunity to utilize formal methods of solicitation and associated benefits, including economies of scale and reduced transaction costs.

(3) MONUSCO should take measures to ensure that the checklist on low-value acquisition is consistently completed, reviewed and approved prior to using the low-value acquisition method of solicitation.

MONUSCO accepted recommendation 3 and stated that the Director of Mission Support issued new instructions to the requisitioners and certifying officers to strictly adhere to and complete the low-value acquisition (LVA) checklist prior to approval in Umoja. The interoffice memorandum would ensure strict adherence to the implementation of the LVA checklist by the requisitioners and certifying officers as part of the review process prior to submission in Umoja for processing. Monitoring of the recommendation was ongoing and reports were produced on a monthly/biweekly basis ensuring compliance with LVA checklist. In July 2024, there was 65 per cent compliance in uploading the LVA compliance checklist in Umoja. In August 2024, there was 100 per cent compliance in uploading the LVA compliance checklist in Umoja.

Need to verify available stocks prior to commencing procurement activities

27. The acquisition plan specifies the quantities of goods to be procured based on the net demand for individual goods. The net demand is determined by adjusting the Mission's total requirements for each good considering relevant factors including projected asset holdings, surpluses and goods in transit. The Mission should verify stocks available in the centralized warehouse prior to initiating procurement activities to avoid acquiring goods that are in sufficient quantities in stock.

28. OIOS noted that the Mission did not verify the stocks available in the centralized warehouse prior to initiating procurement activities. No records of such verification were attached to any of the 41 solicitations reviewed. As a result, even though there were slow-moving items in the warehouse, the Mission was procuring more of these. For example, 3,738 items of plywood valued at \$81,496 had not been used since June 2021, but a solicitation for more timber was initiated in September 2021. This occurred as the technical sections did not conduct stock verification prior to raising shopping carts. APS explained that an electronic purchase workflow in place required the respective technical section to conduct stock verification prior to processing a material purchase request. However, there was no evidence that the workflow was utilized.

(4) MONUSCO should develop and implement a mechanism to ensure that verification of quantities in stock is conducted by technical sections prior to commencing procurement action.

MONUSCO accepted recommendation 4 and stated that it had been implemented. The Mission's Acquisition Planning Section regularly reviewed and revised the acquisition plans on a quarterly basis in coordination with technical sections. The Acquisition Planning Section reviewed the demands from technical sections and identified items available in stock. This review by the technical sections helped to determine the needs of the clients and ensured that items in stock were utilized within a reasonable time to avoid overstocking. OIOS notes the Mission's response but is yet to receive from the Mission sufficient evidence to consider the recommendation implemented.

Need to enhance protocols for solicitation and receipt of offers

29. Provision 7.1 of the Procurement Manual prescribes that to ensure the integrity of the procurement process, the Mission should establish a Tender Opening Committee (TOC) consisting of a minimum of two appointed staff members who are not involved in the procurement process. MONUSCO practice also required the members to serve for a period not exceeding five years to ensure rotation of members.

30. The MONUSCO TOC consisted of 13 members who were appointed in 2017. For seven years, the Mission did not appoint new members of the TOC, did not ensure rotation of members and did not replace the seven who had left the Mission, contrary to the Mission's practice of replacing members every five years. Following the audit observation, the Mission appointed new members of the TOC and issued an information circular number 2024/06 dated 25 June 2024, on the revised composition.

31. The TOC is responsible for ensuring that submissions are secured until formal opening. OIOS review of the 41 sampled solicitation documents sent to vendors noted the following gaps in the protocols for solicitation and receipt of offers:

- Effective the beginning of 2020, the bids/proposals are submitted via email and remain in the mailbox until the official opening date. OIOS noted that two TOC members had access to the email account and frequently used it to send the bids/proposals to the Procurement Section and to communicate any information pertaining to the solicitation. Such unlimited access increased the risk of leakage of confidential information before the official opening date.
- Seven of the 41 sampled solicitation documents issued to vendors included a statement that submissions by email would be rejected, which was misleading because email was the correct mode of submission effective beginning of 2020. There was a risk that offers may be submitted as hard copies and end up being rejected, which may limit the number of bids/proposals considered.

32. Delays in transitioning to electronic procurement using the Ariba software contributed to inaccurate information on the bid documents and increased the risk of accessing submitted offers prior to the official opening date. The Ariba software, among other functions, provides flexibility to adjust and modify instructions on the bid forms and prevent access to submissions until the opening date. The CPO explained that Ariba, which had been rolled out in the Procurement Division and the Global Procurement Support Section in Entebbe, had been designated as the future electronic procurement package of the United Nations. There was a plan to roll it out to MONUSCO and other peacekeeping missions once the staffing and financial constraints were addressed. At the time of the audit, MONUSCO was awaiting an update from the Ariba project team. In the meantime, the Mission introduced a requirement for the members of TOC to sign a declaration of confidentiality and enhance the review of the solicitations documents before sending to the potential bidders.

(5) MONUSCO should budget for and define timelines for the implementation of Ariba software.

MONUSCO accepted recommendation 5 and stated that it was in the process of implementing Ariba software and expected it to go live by 31 October 2024.

C. Evaluation of offers and contract award

Need to address weaknesses in the technical and commercial evaluation of offers

33. Provision 8.1 of the Procurement Manual prescribes that the evaluation of offers must be conducted according to the technical and commercial evaluation criteria by TEC against the criteria defined in the SSP. New or revised evaluation criteria should not be introduced after the bidding process is completed. Additionally, members of TEC are required to sign the declaration of conflict of interest and confidentiality prior to the evaluation of bids to ensure that those with a personal or professional interest in a bidder do not participate in the technical evaluation.

34. OIOS review of technical and commercial evaluation reports for the sampled 41 solicitations noted the following instances of weaknesses:

- Maintenance engine overhaul services of diesel generators and their major components amounting to \$3.26 million (RFP - 3100004199) – the procurement process started in March 2020 and the contracts were signed in December 2022, 984 days later. The mandatory requirements for the certificate of registration and competencies of key personnel were not reflected in the technical evaluation. The correction of these omissions delayed the process. The technical evaluation took 60 days because TEC needed additional clarification and documents from bidders through the Procurement Section. The commercial evaluation took 300 days because the bidders submitted incorrect information. This occurred because the Procurement Section, which requested the information from the bidders, were not properly guided by the requisitioners.
- Consolidated civil hardware materials to be delivered in Goma and Kinshasa with a total cost of \$1.63 million (ITB 3400009187) – the procurement process started in December 2019, then the requisitioner changed the delivery time from 8 to 12 weeks after the bidding process had been completed. This was not transparent and fair to other vendors who may not have initially responded to the original ITB since they could not deliver in 8 weeks. The Procurement Section did not question the decision of the requisitioner. Consequently, the proposal was rejected by the LCC in February 2022.
- A proposal to award a contract for the provision of courier services to MONUSCO in the sum of \$ 97,932 per year - one bidder was awarded eight points on one technical evaluation criterion when the maximum score was four points. Consequently, in September 2022, the LCC recommended the DMS to reject the proposal and the Mission to undertake a new solicitation.
- Provision of upgrading of the electrical system and connecting of MONUSCO sites in Goma and Bukavu at an estimated costs of \$1.57 million (RFP - 310004272) - the technical evaluation took 120 days, while the commercial evaluation took 360 days due to the submission of incorrect information by the bidders. Consequently, the Procurement Section decided to cancel the procurement.
- Members of the TEC did not sign the declaration of conflict of interest and confidentiality prior to conducting the technical evaluation for 10 out of the 41 sampled cases. It was claimed that they were not aware of the requirement.

35. Weaknesses in the technical evaluation of bids resulted from the absence of a quality control mechanism to review the evaluation scoring sheets and ensure consistency of evaluation criteria with SSP and bid forms. Although the Mission indicated that the Procurement Section had a mechanism in place to

review technical evaluation reports and flag any anomalies, there was no evidence of this mechanism on the 41 solicitation documents examined. Technical evaluation sheets were only signed by TEC members who had conducted the evaluation. Additionally, not all members of TEC had undertaken training in the evaluation of offers. OIOS contacted 24 TEC members from technical sections and 9 out of the 13 (or 69 per cent) who responded indicated that they had not undertaken any training in the technical evaluation of bids.

36. Inadequate evaluation of bids could prevent the Mission from procuring the right goods and services from the right source at the right time and price. For example, 27 of 41 (or 66 per cent) procurement cases that OIOS reviewed were not completed within the standard timelines. On average, RFQs, ITBs and RFPs took 125 days, 289 days and 463 days, respectively, which exceeded the standard timelines established by the Procurement Manual, as shown in table 2.

Table 2: Number of days from shopping cart to contract award among 41 cases OIOS reviewed against standard days indicated in the Procurement Manual

| Solicitation method | Number of solicitations delayed | Average duration (days) | Standard duration (days) |
|---------------------|---------------------------------|-------------------------|--------------------------|
| RFQ | 5 | 125 | 21 - 50 |
| ITB | 12 | 289 | 73 - 153 |
| RFP | 10 | 463 | 143 - 357 |

37. Delays in the procurement of goods and services adversely affected the Mission’s ability to deliver its mandated tasks. For example, the procurement of services for the maintenance of security X-ray machines started in May 2021. However, almost two years later, at the time of the audit, the procurement was still incomplete. There were no security X-ray machines at any MONUSCO offices in Goma. This could put the lives of staff at risk and adversely affect mandate implementation. Additionally, staff who participate in the procurement processes without declaring a conflict of interest and confidentiality may not act in the best interest of the Organization.

(6) MONUSCO should enhance the technical evaluation of offers by: (a) putting in place a quality assurance mechanism for the technical evaluation scoring sheets prepared by the technical evaluation committee; and (b) providing training to the members of the technical evaluation committee and request them to consistently sign the declaration of confidentiality and conflict of interest prior to evaluating the bids.

MONUSCO accepted recommendation 6 and stated that it has developed a mechanism where team leaders and higher-level approvers routinely review technical evaluation reports and flag any anomalies. It also stated that it would identify appropriate training for approval and delivery to Technical Evaluation Team members as a means of enhancing their skills.

Need to enhance accountability for solicitations conducted using request for quotation

38. Provision 6.3.3(d) of the Procurement Manual prescribes that a RFQ should generate a minimum of three offers. If a procurement staff is not able to obtain at least three quotations, a written explanation of the reasons must be recorded on the statement of award for approval by the CPO to allow an award based on the lower number of offers.

39. OIOS noted the following weaknesses in the processing of RFQs:

- For all the 10 sampled RFQs reviewed, the procurement officers did not prepare a report detailing the quotations, prices quoted, and the date they were received. This occurred as the Procurement Manual does not include detailed procedures specific to the opening of RFQs. Without a detailed record of quotations received, there was no assurance that all the offers were submitted timely and that they were transmitted to the TEC for evaluation.
- For 3 of 10 RFQs reviewed, less than 3 quotations were received from the potential vendors. However, due to an oversight by the procurement staff, there was no explanation included in the statement of award for approval by the CPO. This precluded a review and professional advice from CPO.

(7) MONUSCO should ensure that: (a) the Procurement Section compiles a formal report detailing the quotations received, their time of receipt, and the amount quoted by each bidder; and (b) the Chief Procurement Officer approves the justification for awarding a contract when less than three quotations are received.

MONUSCO accepted recommendation 7 and stated that it has been implemented. A new template had been designed and implemented for recording quotations received, their time of receipt and the amount quoted by each bidder for record/audit purposes which was transmitted to the concerned buyer with a copy to the Chief Procurement Officer (CPO). Additionally, an email broadcast dated 29 April 2024 was sent out reminding staff of the rules concerning RFQs that do not generate a minimum of three offers in accordance with Section 6.3.3(c) of the Procurement Manual. OIOS notes the Mission's response but is yet to receive from the Mission sufficient evidence to consider the recommendation implemented.

The Mission was implementing measures to minimize ex post facto cases

40. Provision 9.6 of the Procurement Manual prescribes that ex post facto cases may be accepted under exceptional circumstances, provided all United Nations procurement practices and procedures have been followed. However, ex post facto cases should be supported by a written justification and provided to the review committee to explain why timely submission of the case was not possible and the measures taken to prevent their recurrence.

41. Five ex post facto cases were presented to the LCC during the audit period. Upon review, the LCC recommended four of five cases to the DMS for approval as the submissions contained adequate justifications. LCC rejected an unjustified ex post facto case amounting to \$85,000. The concerned contract had not been amended before it expired on 26 December 2020, even though the Aviation Section had requested a contract extension on 13 October 2020. The case was only presented to the LCC on 9 February 2021, as the Procurement Section did not act on it timely.

42. Following the audit, the Mission ensured that procurement case officers and technical section staff consistently received the weekly contracts report circulated by the United Nations Logistics Base in Brindisi. The report contained information about contracts signed, the not-to-exceed amounts and the expiry dates. It was created to facilitate timely extension, amendment, and signing of new contracts to mitigate the risks of ex post facto procurement. The report also included guidelines on the extension or modification of contracts, including timelines.

Need to enhance the review and uploading of procurement documents on SharePoint

43. To ensure all relevant documents are uploaded to SharePoint, the CPO issued guidelines on electronic filing on 24 November 2020. OIOS review of documents generated during the procurement activities indicated that they contained incomplete and inaccurate information, as follows:

- In one case presentation to the LCC, the Procurement Section included the acquisition of materials for a closed regional office. Three case presentations were missing the required annexes, and two had the wrong attachments.
- One bid form did not specify the period for providing performance security and its validity after signing the contract. Another bid form contained duplicates. Instead of 45 line items, it contained 138 line items due to the duplication of 47 line items and the triplication of 45 line items.
- Several documents supporting the 41 solicitations reviewed had not been uploaded onto SharePoint. These included the technical and commercial evaluation reports for five solicitations, statements of awards for four solicitations and tender opening reports for two solicitations.

44. The above occurred because the documents were not adequately checked by case officers. Also, there was no periodic quality assurance review of SharePoint to identify missing or inaccurate documents. Following the audit, MONUSCO issued a circular to staff emphasizing the need to check and review documents generated during the procurement process to assure accuracy and completeness. MONUSCO informed that the process of conducting periodic quality reviews on the completeness of documents uploaded on SharePoint would be automated once Ariba is introduced and that in the meantime, Procurement Section staff would be requested to provide a link to the documents in SharePoint for review as part of each request for approval. Based on the Mission's actions, OIOS did not make a recommendation.

IV. ACKNOWLEDGEMENT

45. OIOS wishes to express its appreciation to the management and staff of MONUSCO for the assistance and cooperation extended to the auditors during this assignment.

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of procurement activities in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

| Rec. no. | Recommendation | Critical ² / Important ³ | C/ O ⁴ | Actions needed to close recommendation | Implementation date ⁵ |
|----------|---|---|----------------------|---|----------------------------------|
| 1 | MONUSCO should regularly monitor the completion of mandatory training and professional certifications of procurement staff to improve compliance with related policies and enhance the control environment for procurement activities. | Important | O | Receipt of evidence that all procurement officers have completed the mandatory procurement training and the Chartered Institute of Purchasing and Supply level four certification. | 30 December 2025 |
| 2 | MONUSCO should enhance the source selection plan by including realistic timelines and the more significant contract-specific risks (including the risks of fraud and corruption and of delayed implementation of procurement activities) and related mitigation measures. | Important | O | Receipt of evidence that procurement officers include realistic timelines in the source selection plans and undertake more detailed risk analyses and include all contract specific risks including fraud and corruption risks and mitigation measures. | 30 December 2025 |
| 3 | MONUSCO should take measures to ensure that the checklist on low-value acquisition is consistently completed, reviewed and approved prior to using the low-value acquisition method of solicitation. | Important | C | Actions completed. | NA |
| 4 | MONUSCO should develop and implement a mechanism to ensure that verification of quantities in stock is conducted by technical sections prior to commencing procurement action. | Important | O | Receipt of evidence that the Mission has implemented a mechanism to verify quantities in stock prior to commencing procurement action and that overstocking is avoided. | 30 September 2025 |
| 5 | MONUSCO should budget for and define timelines for the implementation of Ariba software. | Important | O | Receipt of evidence that Ariba has been implemented in MONUSCO. | 31 March 2025 |
| 6 | MONUSCO should enhance the technical evaluation of offers by: (a) putting in place a quality assurance mechanism for the technical evaluation scoring sheets prepared by the technical evaluation committee; and (b) providing training to the | Important | O | Receipt of evidence that MONUSCO has provided training to the members of the technical evaluation committee and that they consistently sign the declaration of confidentiality and conflict of interest prior to evaluating the bids. | 30 June 2025 |

² Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

³ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

⁴ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁵ Date provided by MONUSCO in response to recommendations.

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Audit of procurement activities in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

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| | members of the technical evaluation committee and request them to consistently sign the declaration of confidentiality and conflict of interest prior to evaluating the bids. | | | | |
| 7 | MONUSCO should ensure that: (a) the Procurement Section compiles a formal report detailing the quotations received, their time of receipt, and the amount quoted by each bidder; and (b) the Chief Procurement Officer approves the justification for awarding a contract when less than three quotations are received. | Important | O | Receipt of evidence that the template is consistently used for recording quotations received, their time of receipt and the amount quoted by each bidder and that the Chief Procurement Officer approves the justification for awarding a contract when less than three quotations are received in response to RFQs. | 30 September 2025 |

APPENDIX I

Management Response



INTEROFFICE MEMORANDUM

Date: 11 September 2024

Ref.: SRS.G.DMS.MONUSCO-2024-00955

To: Mr. Byung-Kun Min, Director
À: Internal Audit Division, OIOS

From: Bintou Keita

De:  Special Representative of the Secretary-General and
Head of the United Nations Organization Stabilization
Mission in the Democratic Republic of the Congo

Subject: Mission response to the Draft Report on the audit of
Objet: procurement activities in MONUSCO (Assignment No.
AP2023-620-03)

1. Your interoffice memorandum dated 05 August 2024 (Ref: OIOS-2024-01437) forwarding the Draft Report on the subject audit is acknowledged with thanks.
2. Thank you for giving the Mission the opportunity to comment on the findings and recommendations in the report. Attached, please find Annex I containing the Mission's comments, for your consideration.
3. Supporting documents mentioned in the comments will be provided to the Audit Team.

Best regards.

Cc: Ms. Fatoumata Ndiaye Under-Secretary-General, OIOS
Mr. Amadu Fuseini Timbilla, DMS a.i./Chief, Service Delivery, MONUSCO
Mr. David John, OIC, Supply Chain Management Service, MONUSCO
Mr. Felix Nartey, Chief, Procurement Section, MONUSCO
Ms. Judith Atiagaga, Audit Focal Point, MONUSCO
Ms. Xin Zhou, Professional Practices Section, Internal Audit Division, OIOS

Management Response

Audit of procurement activities in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

| Rec. no. | Recommendation | Critical ¹ / Important ² | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|----------|---|---|-----------------------|---------------------------------------|------------------------|--|
| 1 | MONUSCO should regularly monitor the filing of financial disclosures to the Ethics Office and the completion of mandatory training and professional certifications of procurement staff to improve its compliance with related policies and enhance the control environment for procurement activities. | Important | Yes | ODMS/CPO | 30 December 2025 | The Mission would like to clarify that instructions on who should submit a financial disclosure or conflict of interest statement are given annually by the Ethics Office. For the year noted by the Audit Team, procurement staff members with delegation of authority of up to \$25,000 were not required to file a financial disclosure or conflict of interest statement. This is the reason why such staff were not nominated by the Mission. However, in the year that followed, the Ethics Office gave instructions that did not exclude staff with delegation of authority of up to \$25,000 and hence they were included. For the rest of the staff that were identified by the Audit Team, the Mission has since submitted their names to the Ethics Office and a link has already been sent to them to file their financial disclosure or conflict of interest statement. The Audit Response Unit is monitoring their compliance to ensure that they comply by the given deadline. Copies of the communications with the Ethics Office have been submitted to the Audit Team for verification and therefore this part of the recommendation may be considered as implemented. |

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Management Response

Audit of procurement activities in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

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| | | | | | | <p>Regarding UN mandatory training, most of the Procurement Section (PS) staff have complied. The remaining staff will complete all trainings, mainly newly introduced and revised courses, by December 2025.</p> <p>With regards to Chartered Institute of Procurement and Supply – Level 4 (CIPS 4), eight (8) PS regular staff required to have accreditation and one (1) UNV are currently enrolled in and are undertaking courses with financial support provided by the Organization. The Office of the ASG/Supply Chain Management closely tracks and monitors progress as a prerequisite for continued support. Expected date of completion for CIPS 4 for existing staff is 30 June 2025. No new regular staff without CIPS 4 certification will be recruited in accordance with established policy (<i>Section 2.3 of the Procurement Manual, amendment of 30 June 2024</i>).</p> |
| 2 | MONUSCO should enhance the source selection plan by including realistic timelines and the more significant contract-specific risks (including the risks of fraud and corruption and of delayed implementation of procurement activities) and related mitigation measures. | Important | Yes | CPO | 30 December 2025 | <p>The Procurement Section Staff have been reminded through a directive dated 28 August 2024 to, <i>inter alia</i>:</p> <ol style="list-style-type: none"> 1) Ensure that realistic timelines are included in source selection plans. 2) Undertake more detailed risk analyses and include all contract specific risks including fraud and corruption risks, and mitigation measures as may be identified/required. <p>A copy of the directive dated 28 August 2024 is attached (<i>'CPO Directive - Enhancement to MONUSCO's Source Selection Planning</i>).</p> |

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| | | | | | | <i>DAR August 2024</i>). The measures outlined in the directive will be enforced by the Chief Procurement Officer (CPO), Team Leaders and the Section's Administration Team through regular and periodic reviews as well as spot checks. The monitoring process will also be supplemented by BTAD's Management Dashboard's periodic/quarterly reports as well as via the Ariba e-procurement system that goes live in MONUSCO in October 2024. |
| 3 | MONUSCO should take measures to ensure that the checklist on low value acquisition is consistently completed, reviewed and approved prior to using the low value acquisition method of solicitation. | Important | Yes | APC | Implemented | MONUSCO accepts recommendation 3 and confirms that it has been implemented. The Director of Mission Support issued new instructions to the Requisitioners and Certifying Officers to strictly adhere to and complete the Low Value Acquisition (LVA) Checklist prior to approval in Umoja. The IOM will ensure strict adherence to the implementation of the LVA checklist both by the Requisitioners and Certifying Officers as part of the review process prior to submission in Umoja for processing. This measure will ensure review and approval prior to use. Monitoring of the recommendation is ongoing, and reports are produced on monthly/Biweekly basis ensuring compliance of LVA Checklist. In July 2024, there was 65% compliance in uploading the LVA compliance checklist in Umoja. Excel sheet for LVA reporting for further details with buyer's name and Approving Officers has been shared with the Audit Team. |

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| | | | | | | In August 2024, there was 100% compliance in uploading the LVA compliance checklist in Umoja. Excel sheet for LVA reporting for further details has been shared with the Audit Team. Recommendation 3 is implemented and may be considered for closure. |
| 4 | MONUSCO should develop and implement a mechanism to ensure that verification of quantities in stock is conducted by technical sections prior to commencing procurement action. | Important | Yes | CWS | Implemented | MONUSCO accepts recommendation 4 and would like to state that MONUSCO Acquisition Planning Cell (APC) regularly reviews and revises the acquisition plans on a quarterly basis in coordination with technical sections. APC reviews the demands from technical sections and identifies items available in stock. This review by the technical sections helps to determine the needs of the clients and ensure that items in stock are utilized within a reasonable time to avoid overstocking (email for acquisition of Prefabs in May 2024 has been shared with the Audit Team). Therefore, recommendation 4 is already implemented and may be considered for closure. |
| 5 | MONUSCO should budget for and define timelines for the implementation of Ariba software. | Important | Yes | CPO | 31 March 2025 | MONUSCO is in the process of implementing Ariba and expects to go live by 31 October 2024. |
| 6 | MONUSCO should enhance the technical evaluation of offers by: (a) putting in place a quality assurance mechanism for the technical evaluation scoring sheets prepared by the technical evaluation committee; and (b) providing training to the members of the technical evaluation committee and request them to consistently sign the declaration of | Important | Yes | CPO | 30 June 2025 | MONUSCO accepts recommendation #6 and states that: a) Procurement Section has a mechanism in place where Team leaders and higher-level approvers routinely review Technical Evaluation Reports and flag any anomalies on a regular, case by case basis. This mechanism is working well. |

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|----------|---|---|-----------------------|---------------------------------------|------------------------|---|
| | confidentiality and conflict of interest prior to evaluating the bids. | | | | | b) MONUSCO will identify appropriate training for approval and delivery to Technical Evaluation Committee members as a means of enhancing their skills. |
| 7 | MONUSCO should ensure that: (a) the Procurement Section compiles a formal report detailing the quotations received, their time of receipt, and the amount quoted by each bidder; and (b) ensure that the Chief Procurement Officer approves the justification for awarding a contract when less than three quotations are received. | Important | Yes | CPO | Implemented | (a) A new template has been designed and implemented for recording quotations received, their time of receipt and the amount quoted by each bidder for record/audit purposes which is transmitted to the concerned buyer with copy to the CPO. Three sample emails have been shared with the Audit Team as evidence for review. b) An email broadcast dated 29 April 2024 was sent out reminding staff of the rules concerning RFQs that do not generate a minimum of three offers in accordance with Section 6.3.3(c) of the Procurement Manual. The email broadcast on RFQs of less than 3 responses has been shared with the Audit Team for verification. This recommendation is therefore implemented and may be considered for closure. |
| 8 | MONUSCO should review the regularity of bids submitted for invitation to bid number 3400010466 for the supply of stationery for Goma, Entebbe and Kinshasa and report its findings to the Procurement Division and Vendor Review Committee. | Important | No | CPO | N/A | MONUSCO has reviewed the bids submitted for ITB 3400010466 for the supply of stationery in Goma, Entebbe and Kinshasa and did not find evidence of collusion amongst the bidders. All the three bidders who quoted for all items were evaluated based on samples that were technically compliant. Only prices for technically compliant items are reflected in the commercial evaluation report. Where they appear blank on the |

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| | | | | | | <p>commercial evaluation report, it means that samples were either <i>not provided</i> or the samples provided were <i>not technically compliant</i>. The actual bids submitted by the vendors were inadvertently not provided to the auditors. These are now shared with the Audit Team for verification. Therefore, the Mission does not agree with recommendation #8 and requests that it be excluded from the final report.</p> |