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Review of the efficiency of the administrative and financial functioning of the United Nations

Report on the activities of the Office of Internal Oversight Services

Audit of strategic management and monitoring of procurement in the United Nations Secretariat

Report of the Office of Internal Oversight Services

Summary

Pursuant to General Assembly resolution [72/266 B](#), in which the Assembly requested the Secretary-General to entrust the Office of Internal Oversight Services (OIOS) with continuing to monitor United Nations procurement and to report thereon biennially, OIOS conducted an audit of strategic management and monitoring of procurement in the United Nations Secretariat to assess the extent to which these functions support efficient, coordinated and effective procurement in the Secretariat. The audit covered relevant procurement structures, systems and activities for the period from January 2022 to October 2025.

Procurement is a critical enabler for mandate delivery, with Secretariat-wide procurement values totalling \$3.2 billion in 2022, \$3.1 billion in 2023 and \$2.8 billion in 2024. Between January 2022 and December 2024, 5,683 contracts were established with a total target value of \$8.2 billion.

The audit concluded that strategic sourcing and centralized procurement mechanisms were functioning effectively. However, the audit also noted gaps in monitoring at the entity level. Entities did not consistently conduct quarterly reviews to mitigate the risks of increased delegation of procurement authority and higher thresholds for reviews by the committees on contracts, and they lacked clear guidance on using dashboards to produce meaningful performance reports. The discontinuation of centralized support, due to resource constraints, to produce comparative quarterly reports and hold biannual performance meetings also reduced their oversight capability. In addition, there were gaps in demand planning.



At Headquarters, the incomplete implementation of key performance indicators under the supply chain performance management framework limited visibility into procurement efficiency. There was also room for improvement in the performance of local committees on contracts and in the deployment of information and communication technology tools for demand planning, vendor performance evaluation and review committees' case management.

OIOS made eight recommendations: six to the Department of Operational Support and two to the Department of Management Strategy, Policy and Compliance. These recommendations are intended to strengthen strategic management of procurement, improve demand planning and entity-level monitoring and reporting, enhance performance management frameworks, enforce procurement training compliance and address gaps in information and communication technology. The Department of Operational Support accepted five recommendations and did not accept one, which OIOS reiterated. The Department of Management Strategy, Policy and Compliance accepted both recommendations.

I. Background and objective

1. Pursuant to General Assembly resolution [72/266 B](#), in which the Assembly that requested the Secretary-General to entrust the Office of Internal Oversight Services (OIOS) with continuing to monitor United Nations procurement and to report thereon biennially, OIOS conducted an audit of strategic management and monitoring of procurement in the United Nations Secretariat to assess the extent to which these functions support efficient, coordinated and effective procurement in the Secretariat. The audit covered relevant procurement structures, systems and activities for the period from January 2022 to October 2025.

2. The Secretariat manages supply chain operations globally, with procurement values totalling \$3.2 billion in 2022, \$3.1 billion in 2023 and \$2.8 billion in 2024. As approved by the General Assembly in its resolution [72/266 B](#), high-value, complex and risk-prone procurement is conducted centrally by the Office of Supply Chain Management in the Department of Operational Support, while less complex, time-sensitive and primarily low-value procurement is delegated to local offices. This approach was operationalized through the delegation of authority framework established in the Secretary-General's bulletin on delegation of authority in the administration of the Staff Regulations and Rules and the Financial Regulations and Rules ([ST/SGB/2019/2](#)), resulting in procurement authority and functions being decentralized across approximately 44 Secretariat entities, each responsible for managing its own procurement needs, with some entities acting as procurement service providers for others.

3. The Office of Supply Chain Management, which was established in January 2019, consolidates, among others, the Secretariat's central logistics, enabling and procurement structures. The Procurement Division and the Enabling and Outreach Service are the organizational units within the Office that are specifically covered by the audit. The Division establishes and administers global¹ and other contracts and maintains the United Nations Procurement Manual as a key reference for Secretariat entities. The Service supports the monitoring of supply chain performance by leveraging tools such as key performance indicators and business intelligence dashboards.

4. Also included in the scope of the audit were the Business Transformation and Accountability Division in the Department of Management Strategy, Policy and Compliance, which oversees policy interpretation related to the delegation of authority framework, offers guidance on delegated procurement authorities and monitors their application; and the Headquarters Committee on Contracts in the Department and local committees on contracts at various entities that review procurement cases above specified monetary thresholds and recommend to officers with delegated procurement authorities whether to approve proposed awards of contracts.

5. Between January 2022 and December 2024, the Secretariat established 5,683 contracts with a target value² of \$8,220 million, the breakdown of which is shown in table 1.

¹ Contracts established for use by all United Nations entities.

² Forecasted or planned cost that represents the expected or optimal budget for delivering the contract scope.

Table 1
Secretariat procurement contracts issued from 2022 to 2024

(Millions of United States dollars)

Contract type	2022		2023		2024	
	Number of contracts	Target value	Number of contracts	Target value	Number of contracts	Target value
Procurement Division-issued global contracts	82	366	83	618	67	524
Procurement Division-issued country, regional and multi-site contracts	300	995	324	1400	267	1 428
Entity-issued contracts	1 508	1 069	1 553	879	1 499	941
Total	1 890	2 430	1 960	2897	1 833	2 893

Source: Enabling and Outreach Service Contract catalogue dashboard.

6. As of August 2025, the Secretariat's procurement workforce consisted of 501 posts and positions. The Department of Operational Support accounted for 21 per cent of that workforce (104 posts and positions, including 17 vacancies). The remaining 79 per cent (397 posts and positions) were in other Secretariat entities, which, together, had 83 vacancies.

7. The procurement module in Umoja is used to keep track of procurement contracts and conduct procurement transactions. The Office of Supply Chain Management uses the Ariba platform for centralized e-tendering and the supply chain planning tool is deployed at Headquarters and peacekeeping entities for demand, source and acquisition planning. The instant feedback system and the contract performance reporting tool are used for the vendor performance review process, while the electronic Headquarters Committee on Contracts system is used by the Committee and local committees on contracts as a case-tracking system. In addition, both the Office and the Department of Management Strategy, Policy and Compliance maintain dashboards to support procurement and supply chain management, with the Office overseeing operational dashboards and the Department managing performance-focused dashboards. OIOS reviewed those systems and data and confirmed that they were sufficiently reliable for the purpose of addressing the audit objective.

8. The audit was conducted in accordance with the Global Internal Audit Standards.

II. Audit results

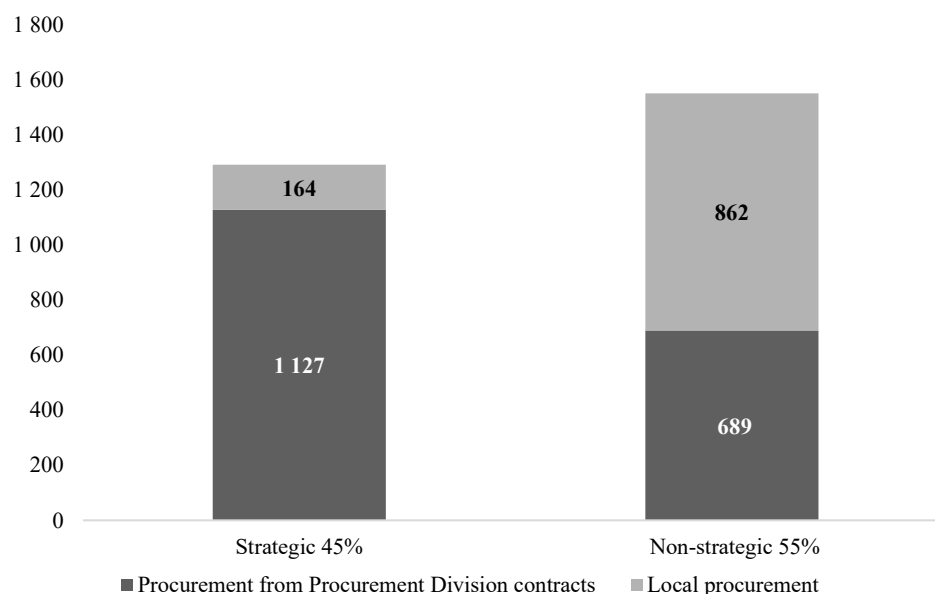
A. Strategic management and efficiency

9. During the audit, OIOS assessed the strategies, processes and staff competencies that enable effective and efficient procurement. Efficiency in this context is defined as achieving better resource utilization and increased responsiveness to client needs without compromising best value for money, fairness, transparency and accountability. Efficiency can be enabled through optimized process design, clear and consistent procedures, robust demand planning and targeted staff training, all of which contribute to reducing processing times and improving procurement outcomes.

1. Office of Supply Chain Management effectively implemented a centralized procurement approach for strategic goods and services

10. In line with the 2019 delegation of procurement authority, the Procurement Division is responsible for establishing the contracts for strategic goods and services,³ while entities are authorized to identify sourcing⁴ solutions that fit their needs and to exercise their delegated authority for the procurement of non-strategic goods and services. Exceptionally, entities may also acquire strategic goods and services, provided they request, and are granted by the Division, a local procurement authority before initiating procurement. They may also need to obtain technical advice⁵ from a Headquarters entity prior to initiating local procurement of some non-strategic goods. Figure I shows how the procurement of strategic and non-strategic goods and services procured in 2024 was distributed between the Division and entities.

Figure I
Distribution of procurement of strategic and non-strategic goods and services in 2024
 (Millions of United States dollars)



Source: Enabling and Outreach Service category management spend analysis dashboard.

11. Contracts established by the Procurement Division accounted for 64 per cent of the total procurement spent in 2024, even though it comprised 21 per cent of the total procurement posts in the Secretariat. Those contracts covered goods and services for complex and/or recurring needs across the Secretariat (global contracts) and for Headquarters entities, be they strategic or non-strategic. The significant share of Division contracts in both strategic and non-strategic categories shows that Secretariat procurement is centralized primarily in the Division, which creates greater

³ Strategic goods and services are centrally contracted owing to factors such as economies of scale, security requirements, standardization, quality assurance and legal or technical complexity.

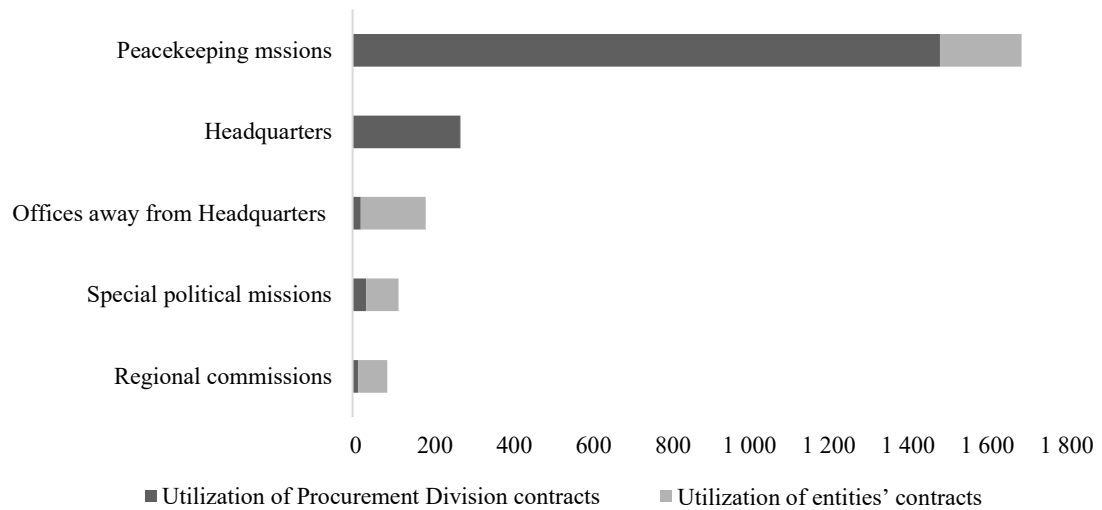
⁴ Sourcing is defined in the United Nations Procurement Manual as “the process of identifying suitable suppliers, including vendors, that could provide the required goods or services. It also provides valuable information about products and specifications”.

⁵ Technical advice could include a review of statements of work/requirements and technical evaluation criteria, as appropriate, to ensure that standardization, duty of care and environmental principles, among others, are adhered to.

procurement efficiency because the centralization accelerates within the Division the development of expertise in the acquisition process, reduces or eliminates the duplication of efforts across Secretariat entities and improves the coordination of global demand planning.

12. Figure II illustrates procurement spending by entity type, comparing Procurement Division contracts with entity contracts. In general, entity procurement involves goods and services such as construction, guard services, office building leases, event space rentals and catering.

Figure II
Procurement spending for Procurement Division contracts and entities' contracts in 2024
 (Millions of United States dollars)



Source: Enabling and Outreach Service contract catalogue dashboard.

2. Demand planning needed to be improved to support strategic and efficient procurement

13. Over the past four years, the Office of Supply Chain Management has provided annual supply chain planning guidance to all entities, which is integrated into budget instructions. It introduced the supply chain rolling planning process in May 2023 to allow quarterly updates of gross demand and launched dashboards and measurable metrics to track effectiveness and efficiency in areas such as demand planning and forecasting, sourcing planning, inventory management and execution of supply chain plans. However, in most cases, non-peacekeeping entities were not utilizing the supply chain planning tool, noting that it addressed primarily the planning needs of peacekeeping missions.

14. In its risk register dated January 2025, the Department of Operational Support rated the residual risk of failing to produce a consolidated global supply chain plan incorporating all relevant entities as “high” and committed itself to developing alternative planning frameworks for non-peacekeeping entities as a risk mitigation response. However, this has not been prioritized.

15. The demand planning dashboard maintained by the Enabling and Outreach Service is used to monitor performance against the target of meeting at least 80 per cent of global supply chain demand with readily available, fit-for-purpose sourcing solutions, appropriate for various client segments. According to the dashboard, as of

September 2025, 72.8 per cent of planned demand was forecasted to be met through existing sourcing solutions. However, because the dashboard used to measure this target relied on incomplete data across the Secretariat, this global key performance indicator did not produce an accurate result.

16. Strengthening demand planning can better align procurement outcomes with actual needs.

Recommendation 1

The Department of Operational Support should include the requirements of non-peacekeeping entities in the global supply chain plan.

Comments of the Department of Operational Support. The Department accepted recommendation 1 and stated that it would conduct workshops with non-peacekeeping entities and, if needed, develop business requirements that would enhance the supply chain planning tool to cater for them.

Comments of OIOS. Recommendation 1 remains open, pending the receipt of evidence that the needs of non-peacekeeping entities have been integrated into the global supply chain plan.

3. Procurement risks were not adequately monitored after changes in delegation of authority and review threshold adjustments

17. Following four years of implementation of the Secretary-General's management reform, the Chef de Cabinet requested the Department of Operational Support to convene a seminar with entities to address procurement and supply chain service issues. The resulting supply chain seminar report (July 2023), based on the input received from 48 entities during 21 meetings, contained proposals for several changes, including increasing the delegation of authority for procurement officials and higher thresholds for local committee on contracts and Headquarters Committee on Contracts reviews. The report outlined the risks associated with each proposal and included corresponding mitigation measures, including enhanced monitoring by heads of entities through targeted quarterly reviews.

18. None of the seven entities queried as part of the audit had conducted the quarterly reviews, indicating that no risk monitoring action had been taken to manage the increased risks.

19. Guidance from the Business Transformation and Accountability Division could help to mitigate the risks associated with increased delegations to procurement officials and higher thresholds for reviews by committees on contracts.

Recommendation 2

The Department of Management Strategy, Policy and Compliance should provide guidance to entities on how to implement the risk mitigation actions documented in the 2023 supply chain seminar report relating to increased delegation of authority to procurement officials and higher committee on contracts review thresholds.

Comments of the Department of Management Strategy, Policy and Compliance. The Department accepted recommendation 2 and stated that it would review how entities had applied the enhanced authorities and committee review thresholds from workstream 1 of the 2023 supply chain seminar and would subsequently monitor related risk-management practices and provide targeted guidance on an ongoing, quarterly basis.

Comments of OIOS. Recommendation 2 remains open, pending receipt of evidence of the review and guidance provided.

4. Process for granting local procurement authority and technical advice needed improvement

20. The Procurement Division may grant a local procurement authority to an entity either during the annual supply chain planning process or in response to emerging needs. The local procurement authority process is meant to reinforce efficient procurement by allowing flexibility in response to operational demands. A timely and well-managed local procurement authority process helps to reduce delays and improve responsiveness and supports alignment with strategic procurement objectives.

21. OIOS noted that Umoja lacked automated controls to flag strategic goods that might require a local procurement authority or non-strategic goods that might require technical advice from the Procurement Division or another entity at Headquarters, depending on the subject matter of the requirement. Entities rely on manual checks to determine whether goods and services are strategic, but these are prone to error or misinterpretation. However, the Office of Supply Chain Management expressed that the costs associated with enhancing Umoja's automated checks might outweigh the compliance benefits.

22. In Umoja, some product identification numbers had not yet been classified or were wrongly marked as non-strategic, while some purchase orders had no strategic classification. These data anomalies and human errors, compounded by the Office of Supply Chain Management's updates to the list of strategic goods and services (done three times since 2019), have contributed to mapping errors and affected the accuracy of strategic procurement reporting over time.

23. OIOS also noted that, while enterprise software was classified as a non-strategic good requiring technical advice from the Office of Information and Communications Technology, six purchases totalling \$132,974 in 2024 were made without such advice, of a total of \$535,049 in entity procurement. This gap in oversight is significant because enterprise software includes critical systems such as enterprise resource planning, customer relationship management and mobile device management, which need strategic alignment to avoid incompatibility or non-compliance. Current Office of Information and Communications Technology controls, such as ICT standardization and architecture review board reviews, occur only after the systems have been implemented and are nearing "go live" status.

24. In addition, approximately 30 per cent of the 1,144 local procurement authority requests made between January 2022 and December 2024 were created in error, causing process inefficiencies and delays. Similarly, 200 of 379 technical guidance requests in 2024 were incorrectly submitted as local procurement authority requests. OIOS observed that entities misclassified their requirements, leading them to incorrectly request local procurement authority and technical advice. There were also instances in which local procurement authority requests were submitted unnecessarily for non-strategic items or for items below the applicable thresholds.

25. Those issues notwithstanding, local procurement authority and technical advice processing times have improved significantly, although they were still above the two-

day key performance indicator. The Procurement Division averaged 6.3 days for processing local procurement authority requests in 2024, while technical advice processing time decreased from 28 days in 2022 to 9 days in November 2025. Continued efforts will further enhance efficiency.

Recommendation 3

The Department of Operational Support should: (a) provide further guidance to help entities to correctly identify requirements needing local procurement authority or technical advice; and (b) address data anomalies in Umoja related to the strategic classification of goods and services.

Comments of the Department of Operational Support. The Department accepted recommendation 3 and stated that it would issue relevant guidance to entities as part of the annual supply chain planning business guidance and assess data anomalies and develop an action plan to address identified issues.

Comments of OIOS. Recommendation 3 remains open, pending evidence of action taken to improve the process for obtaining local procurement authorities and technical advice and to address data anomalies in Umoja strategic classifications.

5. Training and capacity of procurement workforce across United Nations needed enhancement

26. Professionalizing procurement is a key priority under the Secretary-General's management reform. Seven United Nations procurement courses are mandatory for all procurement staff, regardless of category or level. The Business Transformation and Accountability Division maintains the key performance indicator for procurement training and engages with entities to ensure delegated officials' compliance. Although the Secretariat achieved an overall 84 per cent completion rate for the seven mandatory procurement courses, non-compliance was driven mainly by a limited number of entities with considerably lower completion rates, including among staff in critical procurement roles, which elevated procurement risks.

27. As at 1 January 2023, certification by the Chartered Institute of Procurement and Supply at a level 4 or equivalent certification was a mandatory education requirement for vacancy announcements for posts and positions at FS-4 and above, and P-2 and above. However, of the 33 procurement staff onboarded in 2023, only 17 were compliant as at the fourth quarter of 2024, including all 7 newly recruited Department of Operational Support staff. Furthermore, of the five job vacancies in the audit sample (three P-5, one P-3 and one FS-6), only one included level 4 certification as a requirement.

28. The Office of Supply Chain Management and the Business Transformation and Accountability Division indicated that they were working together to address the persistent low compliance with mandatory procurement training requirements.

B. Performance management

29. OIOS assessed the systems, processes and procedures that enable effective and efficient procurement performance management and monitoring. It also reviewed the functioning of contract review committees and the ICT tools supporting contract and vendor performance management.

1. Supply chain performance management framework was not fully implemented

30. The Department of Operational Support issued the supply chain performance management framework on 31 December 2020, establishing monitoring procedures and defining 38 key performance indicators for five performance attributes: responsiveness; reliability; asset efficiency; cost; and agility. The stated objective of the framework was to enable business process optimization through enhanced monitoring and accurate analysis of performance data. While the framework provided a comprehensive structure, its implementation was only partial: the Office of Supply Chain Management implemented in full the key performance indicators related to reliability and asset efficiency, but responsiveness key performance indicators were implemented only in part (12 of 20 key performance indicators were implemented for goods, and none were implemented for services). In addition, none of the key performance indicators for cost or agility were implemented.

31. The framework defined key performance indicators for all procurement phases – from statement of work to contract upload in Umoja – measuring the performance of requisitioners, procurement units, review committees on contracts and approving authorities. This notwithstanding, the Office of Supply Chain Management measured the key performance indicator only as aggregated timelines of multiple phases of the procurement process (e.g., total time from solicitation initiation to contract approval) spanning several steps managed by various stakeholders. The measurements therefore offered insufficient visibility into specific durations of individual phases of the procurement process, leaving the Office and entities unaware of detailed performance trends and with little ability to identify root causes for anomalies.

32. For example, the audit calculated that solicitation timelines (average business days from “First RFX⁶ approval” to “Purchase order/contract approval”) increased from 2022 to 2024, notwithstanding a decrease in case volume in peacekeeping missions, special political missions and regional commissions, as shown in table 2. This was insufficient to determine the stage of the process accounting for the delays and develop specific remedial action. Phase-specific performance data were available only for the Procurement Division because entities had not implemented the Ariba e-tendering system owing to resource constraints. The Office of Supply Chain Management explained that staffing levels, requisitioner responsiveness, complexity and competing priorities could contribute to longer timelines.

Table 2

Comparison of solicitation timelines (RFX to award), 2022 vs. 2024

Entity group	2022		2024	
	Days	Cases	Days	Cases
Procurement Division	150	210	98	135
Peacekeeping missions	95	973	101	663
Regional commissions	90	193	110	109
Special political missions	88	279	96	152

Source: Enabling and Outreach Service procurement toolkit, solicitation timelines dashboard.

33. The Procurement Division was of the view that procurement efficiency could not be equated solely with speed, noting that financial regulation 5.12 underscored the principles of best value for money, fairness, integrity and transparency, which should not be compromised to meet time-based key performance indicators. The

⁶ Request for quotes, request for proposals and invitation to bid.

Division also stated that, in practice, taking additional time for negotiations could secure meaningful discounts and better outcomes, whereas rushing to finalize contracts might undermine value. For this reason, the Division cautioned against defining efficiency key performance indicators based primarily on speed, given that this would present significant risks. The Office of Supply Chain Management had therefore prioritized client satisfaction and continuity of mandate delivery over accelerating timelines at the expense of quality or value.

34. While the Office of Supply Chain Management emphasized client satisfaction as a priority, the Secretariat procurement functions do not monitor a key performance indicator on client satisfaction. With neither phase-specific nor client satisfaction key performance indicators, the Organization lacks the data needed to drive targeted improvements and ensure accountability.

Recommendation 4

The Department of Operational Support should enhance procurement performance management by revising the supply chain performance management framework to include relevant key performance indicators.

Comments of the Department of Operational Support. The Department accepted recommendation 4 and stated that it would revise the supply chain performance management framework.

Comments of OIOS. Recommendation 4 remains open, pending receipt of the revised framework encompassing a wider scope of key performance indicators.

35. The framework defines workload as a key performance indicator; however, the Office of Supply Chain Management was not measuring it and stated that each location operated under unique conditions and complexities, making entities difficult to compare. Factors such as geographical challenges, local market conditions and operational differences have a significant influence on procurement workload. Therefore, in the Office's view, any standardized methodology to measure and compare workload across the Secretariat may not accurately reflect the true level of effort required to support procurement activities at each location. The Office indicated that a workload key performance indicator would be removed from the framework.

36. Table 3 presents the distribution of the 501 Secretariat procurement posts and positions between the Procurement Division and the aggregate of entity procurement units, by staff grade. The Division represents 21 per cent of the total workforce and 25 per cent of the corresponding costs.

Table 3
Procurement staff distribution as of August 2025

<i>Post/position level and grade</i>	<i>Department of Operational Support</i>	<i>All entities</i>	<i>Total</i>
D-2	1	–	1
D-1	2	–	2
P-5	5	5	10
P-4/FS-6	17	52	69
P-3/FS-5/NO-C	33	89	122

<i>Post/position level and grade</i>	<i>Department of Operational Support</i>	<i>All entities</i>	<i>Total</i>
P-2/FS-4/NO-A/NO-B	9	37	46
GS-7	1	22	23
Other GS	36	192	228
Total	104	397	501
Percentage	21	79	100

Source: Umoja SAP data analytics.

Abbreviations: FS, Field Service; GS, General Service; NO, National Officer.

37. OIOS notes that operating factors (e.g., local market conditions, accessibility and other complexities) may be considered in developing parameters to determine workload. Without such a reference, it remains unclear whether the Secretariat procurement function is appropriately sized at all locations and according to delegated authorities.

Recommendation 5

The Department of Operational Support should develop a framework for determining the procurement workforce at the entity level, incorporating factors such as geographical, market and operational conditions.

Comments of the Department of Operational Support. The Department of Operational Support did not accept recommendation 5 and stated that any standardized methodology to measure and compare workload across the Secretariat might not result in measurable and relevant outcomes.

Comments of OIOS. The recommendation does not propose a rigid, one-size-fits-all model; rather, it calls for a flexible, principle-based approach that accommodates the contextual factors that the Department of Operational Support cites, including operational complexity, mandate differences and market conditions. A Secretariat-wide framework would improve transparency and consistency, reducing subjective workforce determinations, and would strengthen evidence-based decision-making by ensuring that entities assess workload using comparable, procurement-specific parameters. For these reasons, OIOS reiterates its recommendation.

38. The delegation of authority instrument outlines the roles of the Department of Management Strategy, Policy and Compliance in supporting procurement accountability. The Business Transformation and Accountability Division has established a delegation of authority monitoring framework comprising key performance indicators and a suite of analytical procedures. The Division produces quarterly reports for each Secretariat entity exercising procurement delegations, highlighting areas for improvement and action required by heads of entities. These reports support accountability and continuous improvement relating to delegation of authority decision-making and are not designed to include key performance indicators related to operational or process monitoring of supply chain management, given that these fall under the purview of the Office of Supply Chain Management.

39. To support first-line monitoring, the Office of Supply Chain Management has made dashboards available to entities and provided training. Until 2023, the Enabling and Outreach Service prepared client-specific quarterly performance reports that

offered comparative insights, benchmarking entities against each other and their own historical performance, which helped to identify areas requiring attention. Those practices, which were in alignment with the framework, were discontinued owing to resource constraints and organizational changes. Entities are now expected to independently use the dashboards without formal guidance on how to produce meaningful performance reports for various levels of management. In the absence of structured support, clear guidance and defined monitoring requirements, entities have struggled to interpret performance data and take appropriate action. User access records indicated that entities did not consistently monitor their quarterly performance in the supply chain performance management dashboards.

Recommendation 6

The Department of Operational Support should: (a) update the supply chain performance management framework to clarify the supply chain monitoring responsibilities of entities; and (b) update related supply chain operational guidance to enable entities to use dashboards effectively.

Comments of the Department of Operational Support. The Department of Operational Support accepted recommendation 6 and stated that it would update the supply chain performance management framework and related supply chain operational guidance.

Comments of OIOS. Recommendation 6 remains open, pending receipt of the revised framework.

2. Headquarters Committee on Contracts operations were effective but local committees on contracts' performance needed improvement to meet internal control objectives

40. The 2024–2025 turnaround time for the Headquarters Committee on Contracts minutes that included their recommendations on reviewed cases remained within the target of seven business days, averaging 5.5 days. The acceptance rate of the Committee's recommendations was high, ranging from between 96 and 99 per cent. The cost savings resulting from those recommendations for 2021–2025 were reported as amounting to \$41 million. The Committee also reviewed the functioning of local committees on contracts and provided training and support to them.

41. OIOS reviewed the functioning of a sample of 13 local committees on contracts using questionnaires, data from the electronic Headquarters Committee on Contracts system, statistics collected through Committee field assistance mission reports and OIOS audit reports over the past four years. Common issues identified included the following:

(a) A total of 3 entities did not utilize the electronic Headquarters Committee on Contracts system to capture local committee on contracts cases, although it is mandated in the delegation of authority instrument. Among the entities that did use the system, usage was inconsistent, some entered data retroactively, while others failed to provide complete or accurate information. OIOS identified multiple discrepancies between the data recorded in the electronic Headquarters Committee on Contracts and the semi-annual reports submitted by local committees on contracts to the Committee. Moreover, the system lacks adequate reporting functionality to meet the Committee's operational needs, although enhancements are under development;

(b) A total of 17 local committee on contracts members in 6 entities did not take the mandatory basic local committee on contracts training. In addition, only approximately

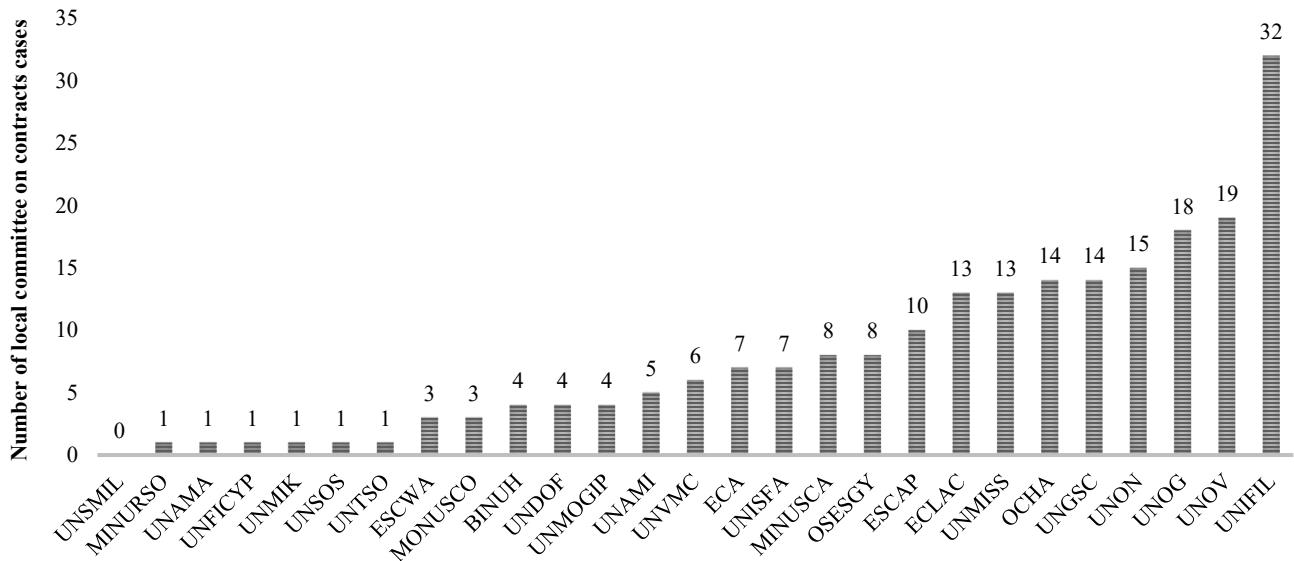
30 per cent of all local committee on contracts members had completed the highly recommended (by the Headquarters Committee on Contracts) advanced training;

(c) In 9 of 13 sampled entities, there were issues relating to insufficient representation on the committees of staff from key operational areas such as finance, legal, programme management and administration;

(d) In 6 of 13 entities, gaps were noted regarding the timely review of cases, the quality of case presentations and meeting documentation.

42. In addition, the number of cases reviewed by some local committees on contracts declined significantly. For example, seven local committees on contracts reviewed only one case in 2024, as shown in figure III. Other entities that experienced a notable drop in the caseload of local committees on contracts from 2023 to 2024 are also highlighted in figure III. While this reduction reflects mostly the intended effect of threshold increases following the July 2023 supply chain seminar report (see para. 17), it also presents a potential risk, given that extremely limited exposure to cases may weaken the committee members’ ability to maintain expertise, consistency and sound judgment in procurement oversight. Sustaining institutional knowledge and decision-making capacity requires regular engagement, even under a reduced caseload.

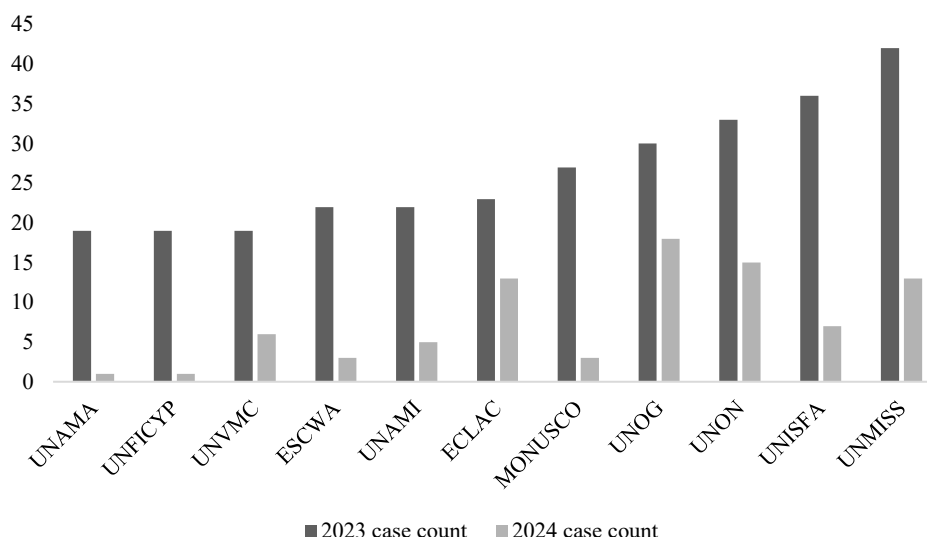
Figure III
Case counts of Secretariat local committees on contracts in 2024



Source: Electronic Headquarters Committee on Contracts data extract.

Abbreviations: BINUH, United Nations Integrated Office in Haiti; ECA, Economic Commission for Africa; ECLAC, Economic Commission for Latin American and the Caribbean; ESCAP, Economic and Social Commission for Asia and the Pacific; ESCWA, Economic and Social Commission for Western Asia; MINURSO, United Nations Mission for the Referendum in Western Sahara; MINUSCA, United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic; MONUSCO, United Nations Organization Stabilization Mission in Democratic Republic of the Congo; OCHA, Office for the Coordination of Humanitarian Affairs; OESGY, Office of the Special Envoy of the Secretary-General for Yemen; UNAMA, United Nations Assistance Mission in Afghanistan; UNAMI, United Nations Assistance Mission for Iraq; UNDOF, United Nations Disengagement Observer Force; UNFICYP, United Nations Peacekeeping Force in Cyprus; UNGSC, United Nations Global Service Centre; UNIFIL, United Nations Interim Force in Lebanon; UNISFA, United Nations Interim Security Force for Abyei; UNMIK, United Nations Interim Administration Mission in Kosovo; UNMISS, United Nations Mission in South Sudan; UNOG, United Nations Office at Geneva; UNON, United Nations Office at Nairobi; UNOV, United Nations Office at Vienna; UNSMIL, United Nations Support Mission in Libya; UNMOGIP, United Nations Military Observer Group in India and Pakistan; UNSOS, United Nations Support Office in Somalia; UNTSO, United Nations Truce Supervision Organization; UNVMC, United Nations Verification Mission in Colombia.

Figure IV
Entities with a significant drop in case counts of local committees on contracts, 2023 and 2024



Source: Electronic Headquarters Committee on Contracts data extract.

Abbreviations: ECLAC, Economic Commission for Latin American and the Caribbean; ESCWA, Economic and Social Commission for Western Asia; MONUSCO, United Nations Organization Stabilization Mission in Democratic Republic of the Congo; UNAMA, United Nations Assistance Mission in Afghanistan; UNAMI, United Nations Assistance Mission for Iraq; UNFICYP, United Nations Peacekeeping Force in Cyprus; UNISFA, United Nations Interim Security Force for Abyei; UNMISS, United Nations Mission in South Sudan; UNOG, United Nations Office at Geneva; UNON, United Nations Office at Nairobi; UNVMC, United Nations Verification Mission in Colombia.

43. OIOS raised the possibility of consolidating local committees on contracts with very low case volumes in order to maintain oversight quality and expertise. However, while the Headquarters Committee on Contracts acknowledged the importance of regular practice to sustain expertise, it noted that many local committee on contracts members already performed local committee on contracts responsibilities alongside demanding primary roles and that reviewing cases outside their own entities might affect their ability to dedicate sufficient time and maintain thoroughness. Furthermore, the Committee emphasized that one of the key strengths of local committees on contracts was their local knowledge, which could be compromised under a consolidated structure.

Recommendation 7

The Department of Management Strategy, Policy and Compliance should strengthen the operation of local committees on contracts by issuing guidance to local committees on contracts to improve their performance.

Comments of the Department of Management Strategy, Policy and Compliance. The Department accepted recommendation 7 and stated that the Headquarters Committee on Contracts would issue operational guidance to local committees on contracts once the new administrative instruction governing review committees was promulgated. This guidance

will be directed to Chairs, members and secretaries of local committees on contracts and cover their roles and responsibilities and instructions on ensuring compliance with procurement principles during the local committee on contracts vetting process.

Comments of OIOS. Recommendation 7 remains open, pending receipt of guidance issued to local committees on contracts to improve their performance.

3. **Information and communications technology tools supporting contract management and vendor performance evaluation needed improvement**

44. The Office of Supply Chain Management has implemented tools to monitor contract and vendor performance. The instant feedback system, integrated with Umoja, allows receivers of goods and services to provide feedback upon posting goods and service receipt documents through automated alerts, and the contract performance reporting tool complements this by allowing contract managers to view the ratings provided through the instant feedback system.

45. The instant feedback system is mandatory only for peacekeeping missions, which hinders oversight of contracts and vendor performance for the entire Secretariat. The contract performance reporting tool has also not yet been rolled out to all offices away from Headquarters, given that enhancements were required for that purpose. The performance of only 2,822 of 4,000 contracts were reviewed in the tool (e.g., rations, fuel and aviation contracts were not included). The Office of Supply Chain Management stated that the implementation of enhancements was in progress.

46. Responses from entities to the OIOS questionnaire also indicated that improvements were needed in terms of how entity feedback was collected and used during contract management. Feedback was based on vendor performance on specific purchase orders and not aggregated to evaluate how the entire contract was executed. Therefore, the current mechanisms may not fully capture or respond to all user experiences and concerns.

Recommendation 8

The Department of Operational Support should enable deployment of the instant feedback system and the contract performance reporting tool to all Secretariat entities and promote consistent use of them.

Comments of the Department of Operational Support. The Department of Operational Support accepted recommendation 8 and stated that it would take the steps necessary to expand the use of the instant feedback system and the contract performance reporting tool.

Comments of OIOS. Recommendation 8 remains open, pending full deployment of the instant feedback system and the contract performance reporting tool across all Secretariat entities.

Annex

Management response to the recommendations of the Office of Internal Oversight Services

<i>Recommendation</i>	<i>Critical^a/important^b</i>	<i>Accepted?</i>	<i>Title of individual responsible</i>	<i>Implementation date</i>	<i>Comments</i>
<p>Recommendation 1</p> <p>The Department of Operational Support should include the requirements of non-peacekeeping entities in the global supply chain plan.</p>	Important	Yes	Chief, Enabling and Outreach Service	31 March 2027	The Department of Operational Support will conduct workshops with the non-peacekeeping entities and, if needed, develop business requirements that would enhance the supply chain planning tool to cater to these entities.
<p>Recommendation 2</p> <p>The Department of Management Strategy, Policy and Compliance should provide guidance to entities on how to implement the risk mitigation actions documented in the 2023 supply chain seminar report relating to increased delegation of authority to procurement officials and higher committee on contracts review thresholds.</p>	Important	Yes	Director, Business Transformation and Accountability Division	31 December 2027	The Department of Management Strategy, Policy and Compliance will review how and to what extent entities have exercised the enhanced authorities and committee review thresholds outlined in workstream 1 of the 2023 supply chain seminar report. Following this review, the Department will monitor how entities manage related risks and provide targeted guidance on an ongoing basis across quarterly cycles.
<p>Recommendation 3</p> <p>The Department of Operational Support should: (a) provide further guidance to help entities to correctly identify requirements needing local procurement authority or technical advice; and (b) address data anomalies in Umoja related to the strategic classification of goods and services.</p>	Important	Part (a) – Yes	Chief, Enabling and Outreach Service	30 September 2026	The Department of Operational Support will issue relevant guidance to entities as part of the annual supply chain planning business guidance.
		Part (b) – Yes	Chief, Enabling and Outreach Service	31 March 2027	The Department of Operational Support will assess data anomalies and develop an action plan to address identified issues.

<i>Recommendation</i>	<i>Critical^a/important^b</i>	<i>Accepted?</i>	<i>Title of individual responsible</i>	<i>Implementation date</i>	<i>Comments</i>
<p>Recommendation 4</p> <p>The Department of Operational Support should enhance procurement performance management by revising the supply chain performance management framework to include relevant key performance indicators.</p>	Important	Yes	Chief, Enabling and Outreach Service	31 December 2026	The Department of Operational Support will revise the supply chain performance management framework.
<p>Recommendation 5</p> <p>The Department of Operational Support should develop a framework for determining the procurement workforce at the entity level, incorporating factors such as geographical, market and operational conditions</p>	Important	No	N/A	N/A	The Department of Operational Support does not accept the recommendation. As stated in paragraph 35 above, “any standardized methodology to measure and compare workload across the Secretariat may not accurately reflect the true level of effort required to support procurement activities at each location. The Office [of Supply Chain Management] indicated that a workload key performance indicator would be removed from the framework”. Bearing in mind the factors referred to in paragraph 35 above, the Department deems that any recommendation to develop this framework further should be SMART (specific, measurable, achievable, relevant and time-bound), that is, result in measurable and relevant outcomes.

<i>Recommendation</i>	<i>Critical^a/important^b</i>	<i>Accepted?</i>	<i>Title of individual responsible</i>	<i>Implementation date</i>	<i>Comments</i>
<p>Recommendation 6</p> <p>The Department of Operational Support should: (a) update the supply chain performance management framework to clarify supply chain monitoring responsibilities of entities; and (b) update related supply chain operational guidance to enable entities to use dashboards effectively.</p>	Important	Yes	Chief, Enabling and Outreach Service	31 December 2026	The Department of Operational Support will update the supply chain performance management framework and related supply chain operational guidance.
<p>Recommendation 7</p> <p>The Department of Management Strategy, Policy and Compliance should strengthen the operation of local committees on contracts by issuing guidance to local committees on contracts to improve their performance.</p>	Important	Yes	Chair, Headquarters Committee on Contracts	31 December 2026	The Headquarters Committee on Contracts plans to issue operational guidance to local committees on contracts once the new administrative instruction governing review committees is promulgated. This guidance will be directed to Chairs, members and secretaries of local committees on contracts and will cover their roles and responsibilities and instructions on ensuring compliance with procurement principles during the local committee on contracts vetting process.
<p>Recommendation 8</p> <p>The Department of Operational Support should enable deployment of the instant feedback system and the contract performance reporting tool to all Secretariat entities and promote consistent use of them.</p>	Important	Yes	Director, United Nations Logistics Base at Brindisi, Italy	31 March 2027	The Department of Operational Support will take the steps necessary to expand the use of the instant feedback system and the contract performance reporting tool.

^a 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.

^b 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.