



## **INTERNAL AUDIT DIVISION**

### **REPORT 2021/017**

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**Audit of the management of  
procurement activities in the United  
Nations Multidimensional Integrated  
Stabilization Mission in the Central  
African Republic**

**The Mission needed to develop sufficient key  
performance indicators to monitor and take  
action to improve the efficiency and  
effectiveness of its procurement activities**

**24 May 2021**

**Assignment No. AP2019-637-03**

# **Audit of the management of selected procurement activities in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of the management of procurement activities in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA). The objective of the audit was to assess the efficiency and effectiveness of the management of procurement activities in MINUSCA. The audit covered the period from July 2015 to November 2020 and included a review of the oversight of the use of subdelegated procurement authority, procurement modalities and capacity for procurement activities.

The Mission had not developed sufficient key performance indicators (KPIs) to monitor and take action to improve the efficiency and effectiveness of its procurement activities. This was partly attributable to the high turnover in the leadership of the Procurement Section, which negatively impacted its work planning, risk management and record-keeping. The Mission was also using low value acquisitions (LVAs) and funding commitments in place of formal methods of solicitation and there were inadequate arrangements to ensure procurement staff acquire the required professional certification and meet financial disclosure requirements.

OIOS made five recommendations. To address issues identified in the audit, MINUSCA needed to:

- Establish and monitor achievement of KPIs and take appropriate action for non-compliance with established regulations, rules, policies, guidelines, and procedures governing procurement;
- Regularize the recruitment of the position of the Chief of Procurement Section to ensure stable leadership of its procurement operations, improved monitoring of the achievement of the work plan and management of procurement records;
- Regularly and timely submit names of staff required to file financial disclosure and declaration of interest statements with the Ethics Office and ensure such disclosures are duly made;
- Periodically review and analyze the use of LVAs to ensure recurring procurement requirements are not met by LVAs; and
- Develop and implement a plan to ensure all procurement staff undertake the required mandatory training and obtain relevant professional certification by the end of 2021.

MINUSCA accepted the recommendations and has initiated action to implement them.

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# **Audit of the management of procurement activities in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic**

## **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the management of procurement activities in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA).
2. Procurement of goods and services is a key function in supporting the Mission in fulfilling its mandate. The United Nations Financial Regulations and Rules, the Procurement Manual, relevant Secretary-General's bulletins and administrative instructions govern MINUSCA procurement activities. Technical sections are responsible for identifying their respective needs and for developing their specifications. The Acquisition Management Section (AMS) is responsible for reviewing procurement needs raised by technical sections, preparing a Mission-wide acquisition plan and creating shopping carts in Umoja to initiate procurement actions. The Procurement Section is responsible for conducting solicitations and procuring goods and services for the Mission.
3. The Procurement Section is headed by a Chief Procurement Officer (CPO) at the P-5 level who reports to the Chief Supply Chain Service. The Section has 19 authorized staff, which comprise 12 international and 7 national staff. The AMS is headed by a Chief at the P-5 level, reporting to the Chief Supply Chain Service. The Section has 19 authorized staff, which comprise 13 international and 6 national staff.
4. Total value of goods and services procured by MINUSCA through 703 contractual instruments (118 contracts and 585 stand-alone purchase orders) from 1 July 2015 to 30 November 2020 was \$94.3 million. For the same period, the Mission processed 896 low value acquisitions (LVA) totaling \$3.7 million.
5. Comments provided by MINUSCA are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

6. The objective of the audit was to assess the efficiency and effectiveness of the management of procurement activities in MINUSCA.
7. This audit was included in the 2019 risk-based work plan of OIOS due to the financial and operational risks relating to the procurement function of the Mission.
8. OIOS conducted this audit from May 2019 to November 2020. The audit covered the period from July 2015 to November 2020. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the procurement activity, which included oversight of the use of subdelegated procurement authority, procurement modalities and capacity for procurement activities.
9. The audit methodology included: (a) interviews of key personnel, (b) reviews of relevant documentation, (c) analytical reviews of data, and (d) sample testing of 35 of 118 contracts and 60 of 585 stand-alone purchase orders.

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

### III. AUDIT RESULTS

#### A. Management of selected procurement activities

##### Key performance indicators were not developed

11. The accountability framework accompanying the Secretary-General's bulletin (ST/SGB/2019/2) on delegation of authority includes three procurement related key performance indicators (KPIs) on: (i) stand-alone purchase orders to increase utilization of long-term contracts; (ii) cases awarded under formal and informal methods of solicitation to maximize use of formal methods of solicitation; and (iii) minimal ex post facto awards to indicate proper planning.

12. MINUSCA was not monitoring the achievement of these KPIs as the CPO was of the view that the KPIs are being monitored by the Business Transformation and Accountability Division (BTAD) in the Department of Management Strategy, Policy and Compliance. BTAD initially provided reports on the KPIs covering the four quarters of 2019 calendar year and subsequently made these KPI results available on its online Accountability Indicator Monitoring dashboard. MINUSCA Procurement Section did not review or take action to address issues where relevant. OIOS review of the KPIs noted that the value of stand-alone purchase orders had increased from average \$3.3 million in the first three quarters, to \$7.8 million in the last quarter of the 2019/20 fiscal year. There was also an increase in the volume and value of the exceptions to competitive bidding from 7 to 43 during the 2018/19 and 2019/20 fiscal years respectively.

13. In OIOS view, the three KPIs that are being monitored centrally are insufficient to ensure efficient and effective procurement activities in MINUSCA and further KPIs need to be considered. This could include, for example, the monitoring of procurement lead times. For instance, OIOS analysis of 60 stand-alone purchase orders: 28 requests for quotation (RFQs) and 32 invitations to bid (ITBs) showed that ITBs took an average of 94 days from the approval of the shopping cart to the issuance of the purchase order, against a target of 70 days and RFQs took an average of 63 days against the established target of 24 days. Without monitoring such procurement timelines, bottlenecks in the process or areas where additional guidance and training is required may not be identified and addressed in a timely manner. In the sample selected by OIOS, the delays were mostly due to: (a) lack of clarity in prescribing terms in statements of works by the technical sections; and (b) the prolonged commercial and technical evaluation process. Other KPIs could be identified, developed and monitored, including establishing targets for commodities and services of acceptable quality being received on schedule and in correct quantities; and increased participation in the procurement process of vendors located in Central African Republic.

14. As demonstrated later in the report, the absence of Mission-level KPIs and monitoring resulted in inefficient and inappropriate practices such as increased use of exceptions to competitive bidding, including low value acquisitions (LVAs) and funds commitment continuing for extended periods without being addressed.

<p><b>(1) MINUSCA should establish key performance indicators and monitor their achievement and take appropriate actions for enhancing the efficiency and effectiveness of the procurement process.</b></p>
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*MINUSCA accepted recommendation 1 and stated that the required KPIs have been incorporated in the 2020/21 workplan of Procurement Section and that it had issued instructions to the relevant stakeholders to enhance effectiveness and efficiency of the procurement process by taking timely actions. Recommendation 1 remains open pending receipt of evidence that the Mission is monitoring its newly established KPIs and based on the results is taking action to enhanced efficiency and effectiveness of the procurement process.*

High turnover in the Procurement Section leadership negatively impacted its work planning, risk management and record-keeping

15. Since the inception of the Mission in 2014, the Procurement Section had been managed by various individuals on a temporary basis. In the audit period, it was managed: (a) from January 2017 to July 2019 by an Officer-in-Charge at the P-4 level; (b) from July 2019 to January 2020, a Chief at the P-5 level; and (c) from January 2020, by an Officer-in-Charge at the P-3 level. Moreover, as of 15 February 2021, four international posts (including the CPO) and one national post were vacant.

16. The absence of a regular senior CPO at the P-5 level and the timely filling of vacant posts had impacted on the effectiveness of the Procurement Section. For instance:

- While work plans were developed in 2018/19 and 2019/20, and these included key objectives, related actions and success criteria, the works plans were not monitored so that appropriate action be taken if required by the DMS or Head of Mission. For instance, the work plan included “compliance with United Nations regulations and rules, etc.,” as one of the objectives. The key related action was “ensuring that procurement staff complete all required professionally relevant trainings”. However, the Section was unable to demonstrate how the objective was achieved as only two officials had the relevant professional qualification by the target date. Another related action was for documents in procurement case files to be properly indexed and organized for each phase of the procurement process. This was not implemented, as OIOS review of 35 files noted that only 4 of them were appropriately organized. This would hinder ability of the CPO to monitor the Section’s work.
- A procurement risk register and response and treatment plan including fraud risks had not been developed, although it was a key objective in the 2019/20 work plan. The need for such register was also recommended in OIOS audit of enterprise risk management (report 2019/089, dated October 2019).
- Only three staff involved in procurement activities had submitted their required financial disclosure and declaration of interest statements with the Ethics Office for 2020. The remaining staff did not receive any notification from the Office to do so, and this was because MINUSCA had not submitted to the Ethics Office the list of procurement staff required to file such disclosures.

17. The high turnover of leadership and use of temporary appointments contributed to the inability to rectify systemic control weaknesses in the Mission’s procurement operations as discussed throughout this report.

**(2) MINUSCA should regularize the recruitment of the post of the Chief of Procurement Section to ensure stable leadership of its procurement operations, improved monitoring of the achievement of the work plan and management of procurement records.**

*MINUSCA accepted recommendation 2 and stated that it initiated action to recruit the Chief of Procurement Section from the available rosters in November 2020 but this exercise yielded an insufficient number of applicants and that it was currently reviewing the terms of reference to launch*

*a new recruitment process. Recommendation 2 remains open pending receipt of evidence that a Chief for the Procurement Section has been recruited and evidence that work planning has been improved and monitoring of its implementation is in place.*

**(3) MINUSCA should regularly and timely submit names of staff required to file financial disclosure and declaration of interest statements with the Ethics Office and ensure such disclosures are duly made.**

*MINUSCA accepted recommendation 3 and stated that procurement staff who were notified to file financial disclosure and declaration of interest statements with the Ethics Office during the periods 2018, 2019 and 2020, participated in such programmes and that it would continue to review the level of responsibilities of all procurement staff and ensure that such disclosures are made when required. Recommendation 3 remains open pending receipt of evidence of the timely filing of financial disclosure and declaration of interest statements with the Ethics Office by the required staff.*

#### Need to streamline procurement modality

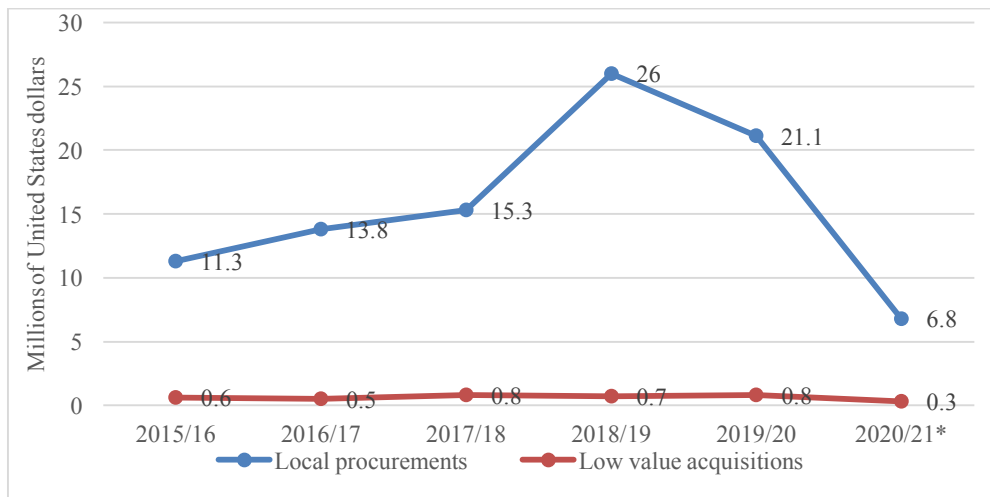
18. AMS compiled acquisition plans based on the information obtained from technical sections. All five annual demand and acquisition plans prepared during the audit period contained the required information, including details of existing contracts, quantity and quality of goods and services required and estimated price. OIOS has separately conducted an audit of demand and source planning in MINUSCA (report 2021/07 and 31 March 2021) and raised several recommendations to improve these processes. Additionally, there was a need to increase the use of formal methods of procurement such as requests for proposals (RFPs) and ITBs because of the strong controls built into those processes. Therefore, the use of LVAs and funds commitments needed to be reviewed as discussed below.

##### (a) Need to review and analyze the use of low value acquisitions

19. Technical sections can raise LVAs to procure goods and services up to a maximum of \$10,000, but these need to be properly supported and justified. LVAs should not be used to purchase goods and services: (a) of a recurrent nature; (b) currently on existing contracts; and (c) for prolonged contract obligations.

20. A review of all 896 LVAs totaling \$3.7 million issued during the audit period showed that 86 LVAs valued at \$201,661 were issued for recurring items such as spare parts and office supplies. A review of a sample of 59 LVAs issued by the Supply Section for office supplies totaling \$163,435 noted that justification for these purchases was not properly documented. MINUSCA explained that LVAs were used: because of the long lead time in the procurement process, which also applied when using established systems contracts; and due to unforeseen operational needs. OIOS noted, however, that this use of LVAs had been the practice since the establishment of the Mission. The Mission needed to discontinue this irregular practice and start better planning its requirements to reduce the number of LVAs and benefit from economies of scale. Figure 1 shows the value of LVAs in comparison to total value of procurements done by the Mission.

**Figure 1: Comparison of low value acquisitions to procurements from 1 July 2015 to 30 November 2020**



Source: Umoja data \* Up to November 2020

(b) Need to minimize the use of fund commitments

21. Direct fund commitments are used to process transactions such as purchases from strategic deployment stocks, travel, and training where the use of another procurement instrument is not practical. Such commitments are recognized only when invoices are processed in Umoja and not when the commitment is made. Consequently, the Controller’s instructions on budgetary closure dated 10 May 2019 and reiterated on 15 June 2020 recommends limiting the use of fund commitments and, instead, processing of transactions through purchase orders in Umoja Supplier Relationship Management.

22. During the audit period, MINUSCA processed 17,174 direct fund commitments in Umoja amounting to \$310.8 million. OIOS review showed that some 1,334 of these transactions valued at \$95 million could have been conducted using purchase orders through established procurement processes instead of fund commitments. These include commodities such as sanitary cleaning materials, office supplies, and information and communication technology equipment. The Mission did not justify such an exceptional use of fund commitments, instead of processing through purchase orders in Umoja as required.

23. The Finance and Budget Section advised OIOS that the Mission had initiated measures to minimize the use of fund commitments through participation of budget focal points of the concerned technical sections in monitoring processes. Further, OIOS report 2019/001 issued on February 2019 recommended the OPPFB/DMSPC to develop: (a) guidelines on the use of fund commitments, and (b) monitoring and reporting tools to identify and correct any inappropriate use. This recommendation was in the process of being implemented. Therefore, OIOS did not make a new recommendation.

**(4) MINUSCA should: (a) periodically review and analyze the use of low value acquisitions (LVAs) to ensure recurring procurement requirements are included in its demand and acquisition plan to achieve better economy; and (b) properly approve and document justification when exceptional use of LVAs is deemed necessary.**

*MINUSCA accepted recommendation 4 and stated that all LVAs are diligently reviewed and approved when exceptional use of LVAs is necessary and that it would continue to make efforts to reduce the use of LVAs as much as possible and strengthen the scrutiny process. Recommendation 4 remains*



open pending receipt of evidence that MINUSCA established a review mechanism that systematically analyses recurring items and has implemented measures to avoid recurrence of LVAs for the same items to ensure economy of scale.

#### MINUSCA was reviewing options to house Mission headquarters

24. The Mission, in February 2015, planned to construct a Mission headquarters in Bangui to house MINUSCA operations, which was initially estimated at \$12 million. A three-year construction plan was drawn up with an initial budget allocation of \$3.9 million in the 2015/16 budget. In December 2015, the Mission cancelled the plan and decided to lease property, without however conducting any feasibility study or cost-benefit analysis to justify leasing versus implementing the construction project.

25. As of 30 November 2020, MINUSCA had 34 lease agreements with property owners at a monthly cost of \$180,082 and incurred \$11.9 million in rental costs.

26. OIOS estimated that by 2025, when the leases come to an end, if the Mission is still in existence, it would have spent \$21.7 million on leased Mission headquarters buildings made up of: (i) expenditures already incurred amounting to \$11.9 million, (ii) \$5.4 million on renovation, repairs and maintenance as at 30 November 2020, and (iii) an estimated \$4.4 million of future costs assuming the contractual arrangements do not change until the end of 2025.

27. Moreover, as the leased buildings are in different compounds, additional costs are incurred for transport between buildings, extra security measures, cafeterias, and information technology infrastructure. Therefore, if a proper feasibility study had been conducted, savings of \$9.7 million could be realized, assuming the initial estimated costs of \$12 million was accurate, as well as having a substantial structure that could be handed over to the Government of the Central African Republic at Mission closure.

28. MINUSCA advised that since most of these leases had a two-month termination notice period, the Mission had somewhat mitigated its financial risk. However, in OIOS opinion, since MINUSCA had not formulated an exit strategy, it would be unrealistic to assume that these leases would be terminated soon. In addition, the Mission had already spent more than \$16 million in rental and renovation cost, which exceeds the original estimates for the construction of the headquarters building.

29. In November 2020, MINUSCA launched a project to assess the costs and benefits of new headquarters buildings against continuation of the lease contracts. Based on the action being taken, no recommendation is made.

#### Members of the Tender Opening Committee were being trained to improve their handling of bids

30. MINUSCA had established a Tender Opening Committee (TOC) that required three members to form a quorum. There were also adequate terms of reference that provided procedures for handling of bids received and opened. During the audit period, the TOC processed 143 bids (132 ITBs and 11 RFPs) and prepared the required tender opening log sheets. A review of a sample of records related to 50 bid openings noted that bid submissions were properly received, date and time stamped, and there was evidence that documents were opened by at least two TOC members. However, for 18 cases, the bid opening did not take place within the required two days after the bid closing time and was delayed from one to seven days due to the absence of TOCs members because of the rest and recreation cycle. OIOS also noted that files were sometimes incomplete, pages of bids were occasionally missing and there were errors in recording of the prices in the tender opening log sheets.

31. MINUSCA had initiated action to address the shortfalls in the work of the TOC through providing training to all new TOC members and notifying TOC members well in advance the tender opening dates and times. Based on the actions being taken, no recommendation has been made.

Anomalies in work of technical evaluation committees were addressed

32. The Mission established technical evaluation committees (TECs), which used the pre-established criteria and scoring methodologies reflected in the solicitation documents to assess the participating vendors ability to meet requirements. However: (a) in four TECs, members belonged to the same section; and (b) in another case involving two competing vendors, the evaluation was flawed as one element of a mandatory criteria was not included for one vendor. This issue was identified by the LCC and the Mission rectified the anomaly.

33. Although the above lapses in the technical evaluation process occurred, the procurement process successfully identified the anomalies and corrected them prior to the contract being awarded. MINUSCA also implemented in December 2019 a checklist to confirm that the requirements for technical and commercial evaluations are appropriately met before it was submitted to the LCC for review. Based on the action taken, no recommendation was made.

Training of procurement staff needed improvement

34. Procurement staff are required to complete United Nations procurement trainings, as well as two mandatory courses: (i) Preventing fraud and corruption at the United Nations; and (ii) Ethics and integrity at the United Nations. These courses are designed to raise staff awareness of ethics and fraudulent acts and to advise on actions to be taken to prevent, detect and report on fraud risks. Further, by 1 January 2021 all procurement officials were required to be professionally certified by the Chartered Institute of Procurement and Supply (CIPS) or an equivalent body. Due to complications and logistical limitations associated with the COVID-19 pandemic, an extension was granted for its completion to the end of 2021.

35. As of 1 December 2020, all procurement staff had duly completed the required procurement trainings; however, only 6 and 8 out of 14 officials had completed the fraud prevention and ethics courses, respectively. In addition, only two officials were CIPS qualified. The Mission informed that a plan would be prepared to address training issues, but this had not been done as of 15 February 2021.

**(5) MINUSCA should develop and implement a plan to ensure all procurement staff undertake required mandatory training and obtain relevant professional certification by the end of 2021.**

*MINUSCA accepted recommendation 5 and stated that all staff in the Procurement Section have completed mandatory online trainings in Procurement Campus platform but some of them were still in the process of completing the other two mandatory trainings in Inspira. MINUSCA further stated that mandatory trainings would also be incorporated in the annual individual staff member's development goals for the reporting period 2021-22. Recommendation 5 remains open pending receipt of evidence that MINUSCA has developed and implemented a plan to ensure all procurement staff undertake required mandatory training and obtained relevant professional certification by the end of 2021.*

#### **IV. ACKNOWLEDGEMENT**

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

*(Signed)* Eleanor T. Burns  
Director, Internal Audit Division  
Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the management of selected procurement activities in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	MINUSCA should establish key performance indicators and monitor their achievement and take appropriate actions for enhancing the efficiency and effectiveness of the procurement process.	Important	O	Receipt of evidence receipt of evidence that the Mission is monitoring its newly established KPIs and based on the results is taking action to enhanced efficiency and effectiveness of the procurement process.	31 December 2021
2	MINUSCA should regularize the recruitment of the position of the Chief of Procurement Section to ensure stable leadership of its procurement operations, improved monitoring of the achievement of the work plan and management of procurement records.	Important	O	Receipt of evidence that a Chief for the Procurement Section has been recruited and evidence that work planning has been improved and monitoring of its implementation is in place.	30 June 2021
3	MINUSCA should regularly and timely submit names of staff required to file financial disclosure and declaration of interest statements with the Ethics Office and ensure such disclosures are duly made.	Important	O	Receipt of evidence of the timely filing of financial disclosure and declaration of interest statements with the Ethics Office by the required staff.	31 December 2021
4	MINUSCA should: (a) periodically review and analyze the use of low value acquisitions (LVAs) to ensure recurring procurement requirements are included in its demand and acquisition plan to achieve better economy; and (b) properly approve and document justification when exceptional use of LVAs is deemed necessary.	Important	O	Receipt of evidence that MINUSCA established a review mechanism that systematically analyses recurring items and has implemented measures to avoid recurrence of LVAs for the same items to ensure economy of scale.	31 December 2021
5	MINUSCA should develop and implement a plan to ensure all procurement staff undertake required	Important	O	Receipt of evidence that MINUSCA has developed and implemented a plan to ensure all procurement staff undertake required mandatory	31 December 2021

<sup>1</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>3</sup> C = closed, O = open

<sup>4</sup> Date provided by MINUSCA in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

**Audit of the management of selected procurement activities in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic**

<b>Rec. no.</b>	<b>Recommendation</b>	<b>Critical<sup>1</sup>/ Important<sup>2</sup></b>	<b>C/ O<sup>3</sup></b>	<b>Actions needed to close recommendation</b>	<b>Implementation date<sup>4</sup></b>
	mandatory training and obtain relevant professional certification by the end of 2021.			training and obtained relevant professional certification by the end of 2021.	

# **APPENDIX I**

## **Management Response**

**United Nations**

United Nations Multidimensional Integrated  
Stabilization Mission in the Central African Republic



**MINUSCA**

**Nations Unies**

Mission Multidimensionnelle Intégrée des Nations Unies  
pour la Stabilisation en République centrafricaine

**INTEROFFICE MEMORANDUM**

**MEMORANDUM INTERIEUR**

to:

Ms. Eleanor T. Burns, Director,  
Internal Audit Division, OIOS

DATE: 12 May 2021

A:

REFERENCE: MINUSCA/SRSG/068/2021

FROM: Mankeur Ndiaye  
DE: Special Representative of the Secretary-General  
MINUSCA

A handwritten signature in blue ink, appearing to read 'Mankeur Ndiaye', is written over the typed name and title.

SUBJECT:  
OBJECT:

**Draft report on an audit of the management of selected procurement activities in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (Assignment No. AP2019-637-03)**

1. With reference to your memorandum of 28 April 2021 (OIOS-2021-00591), on the above captioned-subject matter for your consideration, please find attached Appendix 1 with MINUSCA's comments.

## Management Response

## Audit of the management of selected procurement activities in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MINUSCA should establish key performance indicators and monitor their achievement and take appropriate actions for enhancing the efficiency and effectiveness of the procurement process.	Important	Yes	Chief Procurement Officer	Implemented	Required KPIs were incorporated in the Workplan of 2020-2021 of Procurement Section. Please refer to the Goal 1 of the attached Workplan. Furthermore, an instruction has been issued by the Administration to the relevant stakeholders in order to enhance effectiveness and efficiency of the procurement process by taking timely actions. (Please refer to the attached document, Ref# DMS/0500 of 25 February 2021).
2	MINUSCA should regularize the recruitment of the position of the Chief of Procurement Section to ensure stable leadership of its procurement operations, improved monitoring of the achievement of the work plan and management of procurement records.	Important	Yes	Director of Mission Support	30 June 2021	In November 2020 (from 8 to 22), MINUSCA issued a Recruit from Roster (RfR) with JO #20-PRO-MINUSCA-144398-F-BANGUI (M) which yielded an insufficient number of applicants. The Mission is currently reviewing the TORs to launch a new recruitment process.
3	MINUSCA should regularly and timely submit names of staff required to file financial disclosure and declaration of interest statements with the Ethics Office and ensure such disclosures are duly made.	Important	Yes	Director of Mission Support	31 December 2021	During the periods 2018, 2019, and 2020, the Procurement staff who notified of their participation in the financial disclosure and declaration of interest statements with the Ethics

<sup>1</sup> 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.

<sup>2</sup> 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 the management of selected procurement activities in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						Office did participate in such programmes (see attached Excel Sheet “MINUSCA Procurement Staff – Training PS”. The Mission will continue to review the level of responsibilities of all Procurement staff and ensure that such disclosures are made where required.
4	MINUSCA should: (a) periodically review and analyze the use of low value acquisitions (LVAs) to ensure recurring procurement requirements are included in its demand and acquisition plan to achieve better economy; and (b) properly approve and document justification when exceptional use of LVAs is deemed necessary.	Important	Yes	Chief of Acquisition Management Section	Implemented	a) All procurement requirements are included in the annual Demand and Acquisition Plan. Nevertheless, requirements of low value acquisitions (LVAs) arise because of certain valid reasons such as -i) when specific materials are needed, ii) quantities of required materials are very few so that establishing a contract may not achieve a scale of economy considering time and resources vis-à-vis urgency of need, iii) supplier is unable to deliver materials from the active contracts on time, and iv) when there are no contracts available, or contracts are in process of establishment. It is noteworthy to stress that LVAs are diligently reviewed and discussed with the respective cost center owners during the Local Integrated Business Planning (LIBP) meeting where the LVA reports are shared and analyzed with the cost center owners. (Please

## Management Response

## Audit of the management of selected procurement activities in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>refer to the attached minutes of IBM meetings of 18 March-21 (para#4) and of 15 April-21 (para#5).</p> <p>b) LVA requesters are required to provide written justification in the Portfolio of Evidence (PoE), which shows the reasons to raise LVAs, including, current stock holdings of the required material, etc., amongst others. All supporting documents of the LVAs are diligently reviewed and are approved when exceptional use of LVAs is necessary (LVAs documents are attached for ease of reference). The mission will continue to put its efforts in reducing the use of LVAs as much as possible and strengthen the scrutiny process.</p>
5	MINUSCA should develop and implement a plan to ensure all procurement staff undertake required mandatory training and obtain relevant professional certification by the end of 2021.	Important	Yes	Chief Procurement Officer	31 December 2021	<u>In process of implementation</u> : All staff in the Procurement Section have completed the mandatory online trainings in Procurement Campus platform. Currently, some of the Procurement Staff have completed or are in process of completing other two mandatory trainings in Inspira that are namely Prevention of Fraud and Corruption and Ethics, and Integrity at the UN. Since the time the audit took place, three staff members out of the five that had not done the

Management Response

Audit of the management of selected procurement activities in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						Ethics and Integrity have completed while two out of eight have done the Prevention of Fraud and Corruption training. Please refer to the attached spreadsheet (dates in red) for ease of reference. The mandatory training will also be incorporated in the annual individual staff member’s development goals for the reporting period 2021/2022.