



INTERNAL AUDIT DIVISION

REPORT 2019/059

Audit of local procurement and acquisition planning in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Controls over procurement were at times very lax, and in particular there was need to strengthen the acquisition planning process, reduce low value acquisitions and ex-post facto cases for lease of property

30 June 2019
Assignment No. AP2018/620/03

Audit of local procurement and acquisition planning 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 local procurement and acquisition planning in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO). The objective of the audit was to assess the adequacy, efficiency and effectiveness of the procurement process in MONUSCO. The audit covered the period from 1 July 2016 to 30 June 2018 and included governance and oversight, procurement operations and management of leases.

Controls over procurement were at times very lax, and in particular there was a need to strengthen the acquisition planning process, reduce the use of low value acquisitions and the number of ex-post facto cases.

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

- Develop work plans of the Procurement Section and key performance indicators to monitor the effectiveness of the procurement process;
- Document and monitor the implementation of the recommendations made by the Local Committee on Contracts to improve the quality of future presentations;
- Ensure that its acquisition planning process captures the requirements of all sections/units and the process includes verification of existing inventory in stock;
- Monitor important milestones in the procurement process to ensure timely delivery of goods and services, and provide guidance to staff involved in acquisition planning to ensure lead times are realistic when initiating procurement requests;
- Conduct outreach activities and market surveys to increase the pool of potential vendors and post invitations to bid for between 30 to 60 days to enhance competitiveness;
- Train and improve the capacity of staff responsible for developing technical specifications and evaluation of proposals received;
- Ensure low value acquisitions are not split to avoid a competitive procurement process, and are not used for recurring procurement requirements;
- Engage the Government of the Democratic Republic of the Congo in a timely manner to request land for its operations and also make efforts to reduce costs through consolidating premises with members of the United Nations Country Team, as well as ensure space leased is properly included in agreements and recover any overpayments; and
- Strengthen oversight over the management of leases to conduct market surveys and ensure most favorable price and contract terms.

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

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Audit of local procurement and acquisition planning 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 local procurement and acquisition planning in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO).
2. Procurement of goods and services is governed by the United Nations Financial Regulations and Rules and the United Nations Procurement Manual. The MONUSCO Acquisition Planning Cell (APC) is responsible for reviewing procurement needs raised by technical units, 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 Management Services. The Section has an authorized staffing level of 41, which comprises 18 international and 16 national staff and 7 United Nations volunteers. APC is headed by an Officer at the P-4 level who reports to the Chief, Supply Chain Management Services and has an authorized staffing level of 13, which comprises 5 international and 3 national staff and 5 United Nations volunteers.
4. During the period from 1 July 2016 to 30 June 2018, the Mission awarded 124 contracts with a total not-to-exceed (NTE) amount of \$24.9 million for the local procurement of goods and services. As at 31 July 2018, there were 248 active local contracts with an NTE amount totaling \$136.5 million. The Mission during the same period raised 1,910 purchase orders valued at \$393.7 million: utilizing locally established contracts by the Mission as well as contracts established by the Procurement Division at the United Nations Headquarters and the Regional Procurement Office in Entebbe; and 1,115 low value acquisitions (LVAs) totaling \$4.6 million.
5. Comments provided by MONUSCO are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess the adequacy, efficiency and effectiveness of the procurement process in MONUSCO.
7. This audit was included in the 2018 risk-based work plan of OIOS due to the financial and operational risks relating to the procurement of goods and services, and the risk that best value for money may not be obtained.
8. OIOS conducted this audit from August 2018 to March 2019. The audit covered the period from 1 July 2016 to 30 June 2018. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the procurement process, which included: governance and oversight, procurement operations and management of leases.
9. The audit methodology included: (a) interviews of key personnel; (b) review of relevant documentation; (c) analytical reviews of data; and (d) testing of samples selected through stratified random sampling method, comprising 63 out of 248 local contracts and 98 of 1,115 LVAs.

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

III. AUDIT RESULTS

A. Governance and oversight

Need to develop adequate work plans and key performance indicators

11. The Procurement Manual requires the Procurement Section to be staffed with trained personnel and adequately structured to ensure goods and services are procured efficiently and effectively.

12. All procurement staff had completed the required mandatory training courses, which included the Fundamentals of Procurement, Ethics and Integrity in Procurement, Best Value for Money, Overview of the Procurement Manual, Acquisition Planning, and Contractual Issues in Purchasing and Contract Management. Also, staff principally involved in the procurement of goods and services were filing their annual financial disclosure and declaration of interest statements. The Procurement Section was structured into six teams, each headed by a team leader and the workload was allocated accordingly.

13. The Procurement Section developed annual workplans, which included goals, key actions, success criteria and staff responsible for their implementation. However, the workplans did not include adequate targets or indicators of achievement to enable monitoring of the Procurement Section's performance. For example, a key related action was defined as "aiming for higher standards in the performance of daily work" and "refreshing procurement knowledge against the latest version of the Procurement Manual". These actions were vague and not measurable. The Procurement Section developed key performance indicators (KPIs) for 2016/17; but they were not linked to the annual workplan and aligned with the information reported in results-based budgeting performance report. The Procurement Section did not develop KPIs for 2017/18.

14. Under the new delegated authority, for which the transitional period was extended to 30 June 2019, the Business Transformation and Accountability Division of the Department of Management Strategy, Policy and Compliance will monitor achievement of three KPIs related to the volume and value of: (a) stand-alone purchase orders to measure utilization of long-term contracts; (b) cases awarded under formal and informal methods of solicitation to maximize the use of formal methods of solicitation; and (c) ex-post facto awards to indicate proper planning. The Mission, as discussed later in this report, was using a large number of LVAs and processing many lease contracts under informal methods of solicitation that in OIOS' opinion was unjustified. Also, inadequate action was being taken to prevent occurrence of ex-post cases and to ensure such cases were reported in a timely manner. The Mission was yet to review the identified control weaknesses and establish appropriate measures to achieve these KPIs.

15. The lack of consistent leadership in the Procurement Section contributed to inadequate development of workplans and KPIs. The position of the CPO was vacant for an extended period from March 2017 to June 2018, during which several officers-in-charge were appointed. A new CPO was appointed in July 2018 and started taking steps to address the control weaknesses identified in the procurement process; an issue repeatedly raised by members of the Local Committee on Contracts (LCC). During the audit period, OIOS identified risks related to the efficiency and effectiveness of the Mission's procurement operations that were not adequately mitigated.

(1) MONUSCO should: develop work plans for the Procurement Section containing adequate targets and indicators of achievement; and establish and monitor achievement of key performance indicators for procurement operations, including utilization of long-term contracts, utilization of formal methods of solicitation and proper planning for goods and services as indicated in the new delegation of authority to the Head of Mission.

MONUSCO accepted recommendation 1 and stated that the Procurement Section's Compliance and Quality Assurance Unit was in the process of developing a comprehensive set of KPIs and 2019/20 workplan for the Section and its staff would contain goals, adequate targets and indicators of achievement and key related actions that would be measurable and effective to support the new delegation of authority to the Head of Mission. Recommendation 1 remains open pending receipt of the approved workplan for 2019/20 and KPIs appropriately developed and evidence that they are being monitored.

Recommendations of LCC were not monitored and implemented resulting in poor procurement practices not being addressed in a timely manner

16. For effective oversight of procurement actions, an LCC comprising adequately trained members should be established to review cases above the delegated procurement authority of the CPO. Procurement officers are required to submit cases that are comprehensive, factual, accurate, clear and sufficiently detailed to the LCC for review.

17. MONUSCO had established an LCC that comprised 16 members from various sections, including budget, finance and legal. The Committee met regularly and members had been provided with training. A review of 42 of 80 cases presented to and considered by the LCC showed that Committee members carefully deliberated the cases. LCC deliberations resulted in, among others, 13 cases being rejected due to missing and incomplete information, and/or the inability to address questions raised by members. Examples of rejected cases included:

- An Airfield Lighting System for Beni-Mavivi airport where the Committee identified problems in the solicitation process and the technical evaluation;
- The provision of ground support services, where LCC identified that the Procurement Section presented a case for increasing the NTE, without informing the Committee that the contract had already expired and needed to be approved on an ex-post facto basis; and
- The provision of laundry services with an NTE of \$400,040, where the requisitioner could not demonstrate to the LCC the need for the services. The proposal was eventually canceled.

18. LCC deferred its deliberations in 3 of the 42 cases reviewed due to the inability of technical units and the Procurement Section to clarify the Committee members' questions. LCC also processed 11 cases with reservation due to its concerns regarding inconsistencies in the technical evaluations, high lease rates, and lack of assessment and meaningful engagement of senior management.

19. The Committee repeatedly raised concerns regarding the quality of the cases submitted and weaknesses in the procurement process. The concerns raised included, for example, lack of market research, low bidder responses, inadequate specifications of technical requirements, and insufficient monitoring of expiration dates of contracts. The Committee also made several recommendations to improve the quality of case submissions and the procurement process. While these were accepted by the Director of Mission Support (DMS), insufficient action was taken to implement the recommendations resulting in the

continuation of poor quality submissions, which impacted the time taken to award the contracts due to cases being returned for corrective action.

20. In October 2018, the Mission in coordination with members of the Headquarters Committee on Contracts (HCC) on an assessment visit provided a training to procurement staff and the technical units on the development of case submissions and overview of the procurement process. Additionally, in November 2018, the Mission appointed a staff in the Procurement Section to conduct compliance and quality assurance reviews of case presentations and the procurement process to assist in capacity-building of staff from technical units and the Procurement Section. However, the Mission still did not have a tracking system to monitor implementation of LCC recommendations and thus ensure improvements to the procurement process.

(2) MONUSCO should establish a mechanism to document and monitor implementation of the recommendations made by the Local Committee on Contracts to improve the quality of the cases submitted to the Committee and the procurement process.

MONUSCO accepted recommendation 2 and stated that LCC and its secretariat would document their recommendations on improvements in case presentations which the Procurement Section would extract and compile. The case reviewer would confirm that all LCC recommendations had been considered as part of the review. This will enable to the LCC to monitor/confirm that their recommendations were being considered. Recommendation 2 remains open pending receipt of evidence that the Mission has implemented a system to document and monitor LCC recommendations for implementation.

B. Procurement operations

Need to strengthen acquisition planning process

21. APC is required to develop an acquisition plan that captures all procurement requirements of the Mission and facilitate procurement of those requirements in an efficient manner.

22. The Mission's 2017/18 acquisition plan was generally comprehensive and captured the goods and services proposed by Mission components to meet their operational needs. However, the requirements of three sections/units valued at \$7.1 million were omitted from the plan. These included the Safety and Security Section (\$6.5 million), the Disarmament, Demobilization, Repatriation, Reintegration and Resettlement Section (\$0.4 million) and the Training Unit (\$0.2 million). This happened because APC had used the 2016/17 acquisition plan as a template, in which these sections had not been shown as requisitioners.

23. Additionally, APC and technical units were not always verifying existing inventory before including their requirements in the acquisition plan. For example:

- The acquisition plan contained a requirement for 4,000 rolls of concertina wire valued at \$116,000 and 4,200 rolls of barbed and binding wire valued at \$123,000, but the Mission had 35,882 rolls of concertina wire and 4,746 rolls of barbed and binding wire in stock. As per the average inventory utilization, these were enough to last for six to seven years; and
- The inventory aging report as of 30 June 2018 showed that the Mission had 132 items worth \$12 million in stock for over a year. A review of 10 items worth \$7.3 million revealed that slow moving items worth \$1.2 million were incorrectly included in the 2017/18 acquisition plan.

24. The above was because APC and the various technical units had not considered inventory levels, average consumption and aging reports during its procurement planning. Staff of APC and technical units explained that they were not systematically verifying inventory records due to lack of access to relevant and reliable information in Umoja and their inability to run the necessary Business Intelligence reports from Umoja since the decommissioning of Galileo. Consequently, APC and technical units had to rely on ad hoc inventory reports from the Supply Chain Management Service to determine inventory levels, which were not always reliable and sufficiently detailed to make informed decisions. To address this, in January 2019, MONUSCO established a Demand and Acquisition Planning Committee to review the Mission's requirements in comparison with existing inventory stocks. Pending the roll out of Umoja Extension II, expected by July 2019, MONUSCO had also, in the interim, adopted an Acquisition Planning Model to verify inventory information and track fast moving and common consumable inventory items for the technical units.

25. OIOS noted the actions being taken to minimize the risk of procuring goods already in stock. However, the Mission needed to ensure that all relevant staff are trained in the Umoja Extension II reporting functionalities to enable APC and technical units obtain reliable information for better acquisition planning. Ineffective acquisition planning could result in inability to procure goods and services in an efficient and timely manner and at best prices possible.

(3) MONUSCO should take steps to strengthen its acquisition planning process by: (a) ensuring that its annual acquisition plan captures the requirements of all sections/units; and (b) training technical units and staff involved in acquisition planning on the functionalities of Umoja Extension II to enable them to verify all requirements for acquisition including verification of existing inventory stock.

MONUSCO accepted recommendation 3 and stated that APC was making efforts in collaboration with clients to capture mission-wide requirements as part of demand and acquisition planning for 2019/20. It also stated that the deployment of Umoja Extension II which was dependent on the completion of the global physical inventory reconciliation and optimization exercise was currently in progress. Training would be rolled out after completion of the exercise. Recommendation 3 remains open pending receipt of subsequent acquisition plan that includes requirements of all sections/units; and evidence that responsible staff have participated in the training for Umoja Extension II when rolled out.

There was need to plan for adequate lead time and monitor procurement processes for timeliness

26. The Procurement Manual requires requisitioners to provide adequate lead time to complete the procurement process to ensure that the goods and services are delivered when needed. The estimated time for a typical procurement activity from raising a shopping cart in Umoja to contract award for items procured by a Request for Quotation (RFQ) is between 21 and 50 days, and that for items procured by an Invitation to Bid (ITB) between 73 and 153 days.

27. Analysis of 72 out of 3,050 shopping carts (47 RFQs and 25 ITBs) processed during the audit period showed that ITBs took an average of 120 days from the approval of the shopping cart to the award of contract, which was within the estimated time required. However, RFQs took an average of 62 days, exceeding the standard of 21-50 days.

28. The 2017/18 acquisition plan indicated the quarters in which goods or services were to be delivered. However, the plan did not specify when the procurement process should have been started to ensure sufficient lead time for the delivery of the required items and services. An analysis of the 2017/18 acquisition plan and purchase orders indicated that the Mission initiated and received 31 of the 307 line

items it planned to procure on time. However, for 110 of the 307-line items, procurement actions were initiated late and the items were received on an average of 36 days and 64 days later than requested by technical units for RFQs and ITBs respectively. The Mission did not procure 166 of the 307-line items due to changing priorities.

29. Although the target dates for important milestones were identified and recorded in the respective source selection plans, the Mission was not systematically tracking the achievement of target dates so that appropriate action be taken to ensure timely delivery of goods and services. The Mission had also not informed technical units of realistic lead times. For example, the Engineering Section required prefabricated accommodation units worth \$1.4 million to be delivered before the end of December 2017, but initiated the procurement action in the same month, by requesting APC to raise a shopping cart. This did not provide sufficient lead time and delayed the related construction work; thus, impacting the effectiveness of the Mission's operations.

(4) MONUSCO should: (a) to ensure timely delivery of goods and services, establish a tracking system to monitor important milestones in the procurement process; and (b) provide guidance to technical units and staff involved in acquisition planning to ensure lead times are realistic when initiating procurement requests.

MONUSCO accepted recommendation 4 and stated that the Quality Assurance Team in the Procurement Section was using a share portal tracking tool to monitor the on-going procurement processes and generate reports. MONUSCO also stated that to improve meeting delivery times, the Procurement Section would share with the technical units the realistic lead times to facilitate initiation of the procurement process in a timely manner to meet the operational demands. Recommendation 4 remains open pending receipt of evidence of a tracking system that is effectively monitoring the procurement processes and guidance provided to technical units on realistic lead times.

The Mission needed to increase potential vendors and give enough time to respond to its ITBs

30. A key element of achieving best value for money is to have many vendors that can fulfill the requisitioners' needs participate in the solicitation process. The Mission is required to invite: five vendors for acquisitions of goods and services valued between \$10,000 and \$40,000; 10 between \$40,000 and \$200,000; 15 between \$200,000 and \$1 million; 20 between \$1 million and \$5 million; and 25 above \$5 million with the required capability. In addition, the Mission is required to post solicitations for between 30 and 60 days and use formal methods of solicitation for requirements of more than \$40,000 and the informal methods for those up to \$40,000.

31. OIOS review of 63 of 248 contracts, showed that for the 32 procured under formal methods of solicitation, the Mission used appropriate solicitation methods based on the value and types of items procured. For the 31 procured under informal methods of solicitation, the Mission was generally waiving the formal solicitation process when leasing property. The Mission argued that this was done because the market conditions did not allow for effective competition. The procurement of leases and its management is discussed later in this report.

32. The Mission advertised expressions of interest (EOI) in local newspapers and United Nations websites to encourage vendors to participate in solicitations. In general, for each EOI, the Procurement Section invited an average of 30 vendors; however, on average, seven bidders (23 per cent) responded. In two instances from the sample selected, only one response was received and for six others, only two responses were received. For example, in the solicitation for garbage collection services in Goma, 30 vendors were invited but only one responded. The low response rate was attributed to some vendors not

having the required certifications, and the capacity to provide the required goods/services, as well as security concerns in the Mission area. This, therefore, meant that they should have not been invited. Moreover, the short timelines for posting solicitations, which averaged 25 days, including a case of posting for only 6 days, was a contributing factor.

33. The issue of low vendor response rate was previously raised by OIOS in its audit of procurement (report # 2016/065), dated 10 June 2016. After that audit, the Mission made efforts to increase the number of market surveys for different requirements so that potential vendors with the required capacity and expertise would be invited. However, these efforts were not sustained. In January 2019, the Mission appointed a staff to liaise with the Congolese Chamber of Commerce to conduct outreach activities and sensitize prospective vendors on requirements of doing business with the United Nations. The appointed staff was yet to start conducting the planned outreach activities and market surveys. Consequently, the low response rate continued to limit competition and resulted in the need to conduct direct negotiations with vendors. It also meant that contracts were extended with the same vendors as new vendors were not being identified. Additionally, the Mission, for some commodities, was only working with a small pool of vendors who were identified as being able to provide the required goods and services such as hotel accommodation, garbage collection and construction. This practice did not provide adequate assurance that the Mission was systematically obtaining best value for money, and there was a perception that the procurement process was not always fully transparent.

(5) MONUSCO, to enhance the competitiveness of the solicitation process, should: (a) conduct outreach activities and market surveys to increase the pool of potential vendors; and (b) systematically post its invitations to bid for the required period of between 30 to 60 days.

MONUSCO accepted recommendation 5 and stated that the Procurement Section would conduct outreach activities and market surveys to increase the pool of potential vendors and post invitations to bid for RFQs for periods of 30 to 60 days as required in the Procurement Manual, depending on the complexity of the cases. The Procurement Section would also share with the technical units the realistic lead times. Recommendation 5 remains open pending receipt of evidence that the Mission has increased its pool of vendors through outreach activities and market surveys and systematically posted invitations to bid for the required period of between 30 to 60 days.

Controls over receipt, safeguarding and opening of tenders were effective

34. MONUSCO established a Tender Opening Committee (TOC) with 13 members to ensure that a quorum was always available for handling bids. During the audit period, TOC processed 330 bids, prepared bid abstract sheets and recorded submissions in a timely manner. TOC was in a separate office with a dedicated computer, printer and stamp machine and an e-mail address was assigned with access to the account limited to the Secretary of the Committee and two alternates. OIOS review of 77 of the 330 bids showed that they were stamped with the date and time of receipt and were opened by at least two members who were not involved in the procurement process. All late submissions were rejected, recorded and forwarded to the Procurement Section for their record. From the sample selected, OIOS concluded that controls over tender opening procedures were adequate and effective.

Development of technical specifications and thus evaluations needed to be improved

35. Technical units are required to develop specifications to accurately describe their requirements in a clear and detailed way to enable vendors to effectively respond to them. Brand names should not be included. The solicitation documents should also include predetermined evaluation criteria so that an

Evaluation Committee can assess the ability of potential vendors to meet requirements and determine the relative merits of competing bids.

36. OIOS review of 32 out of 41 solicitation documents/source selection plans for which formal methods of solicitation were used noted that, the Procurement Section had to request clarification in 24 of them. This was because requisitioners did not provide all the relevant documents and/or there was a lack of clarity in their submissions. This indicated therefore that the specifications and other requirements in the solicitation documents were not sufficiently clear. Additionally, OIOS noted in 1 of the 32 cases that a brand name for the purchase of motor cycles was specified.

37. For the 32 cases reviewed, MONUSCO had established evaluation teams, and the teams were generally using the pre-established criteria and scoring methodologies reflected in the solicitation documents to determine the eligibility of vendors. However, in some cases, there were inconsistent treatment and inadequate analysis of the proposals, as shown in the following examples:

- On six occasions, the technical evaluation teams disqualified vendors because they did not submit the required registration documents, while in 10 other cases, the missing information of a similar nature was requested to conclude the evaluations. For instance, in the first bidding exercise for the construction of a road (2.4 kilometers long) in Bukavu valued at \$500,000, all four bids were disqualified because two did not provide the required registration documents and the other two did not achieve the minimum score. As a result, a re-bidding exercise was conducted but it was 10 months later and for only a 1.3 kilometer road. During this period, the road had deteriorated, and the contract for a much shorter road was awarded for \$605,616; and
- For the provision of 77 motor cycles to be donated to the national police, the evaluation team proposed that the contract be awarded to a vendor for \$330,735, even though there was another eligible vendor that submitted an offer for \$226,671 (a difference of \$104,064). The significantly cheaper vendor was not selected as it offered a delivery period of between 9 to 10 weeks without a warranty (for replacement in case of product defect), against two and five days with a warranty. During the LCC deliberations, the Procurement Section and the technical units could not explain why warranty was made a mandatory requirement. The DMS rejected the case, as recommended by LCC, due to the inability of the Procurement Section and the technical units to explain why the warranty had been made mandatory and whether the higher price was justified by the faster delivery time and warranty. As a result, no award was made, and this procurement case was put on hold.

38. The above mainly resulted as responsible staff did not have the required skills or experience to develop technical specifications and thus properly evaluate the proposals received. To partly address this, the Mission in November and December 2018 conducted trainings on technical evaluation. However, all staff responsible for such activities did not get the opportunity to attend the training. Also, the Mission had not explored other training opportunities such as programmes developed by the United Nations Global Service Center covering development of requirements and statement of works, and conducting of technical evaluations. Poorly developed technical specifications and inconsistent evaluation of proposals resulted in delays in the procurement process and increased workloads when technical evaluations had to be redone or revised. It further impacted transparency and the perception of fairness of the procurement process.

(6) MONUSCO, to improve the capacity of staff responsible for developing technical specifications and evaluating proposals received, should ensure that all staff are properly trained through attendance of available trainings, including online learning programmes.

MONUSCO accepted recommendation 6 and stated that the Procurement Section was participating in and leading the training on “scope of works” to build capacity of the technical units and to provide

an understanding of the procurement cycle. Recommendation 6 remains open pending receipt of evidence that staff responsible for developing technical specifications and evaluating proposals have received training.

There was a need to strengthen oversight over the use of low value goods

39. Technical units and procurement officers are permitted to directly procure low value goods and services through LVAs up to a maximum threshold of \$10,000. LVAs should not be used for recurring goods/services or items that can be procured under existing contracts.

40. Analysis of 98 of 1,115 LVAs indicated that technical units were sometimes splitting purchases to bring them to \$10,000 or below. For example, the Engineering and Transport Sections were regularly using LVAs for purchasing the same items on the same day, such as motor vehicle spare parts, construction and electrical materials. Examples of potential split purchases are shown in Table 1.

Table 1
Examples of some split procurement actions

Purchase Order Number	Items procured	Amount in (\$)	LVA Limit (\$)	Creation date	Approval Date
2300073010	Painting materials	9,950	10,000	21-Apr-17	21-Apr-17
2300073014	Painting materials	9,985	10,000	21-Apr-17	21-Apr-17
2300073015	Painting materials	8,897	10,000	21-Apr-17	21-Apr-17
2300078400	Motor vehicle tires	9,900	10,000	12-Jun-17	12-Jun-17
2300078401	Motor vehicle tires	9,900	10,000	12-Jun-17	12-Jun-17
2300078403	Motor vehicle tires	9,900	10,000	12-Jun-17	12-Jun-17
2300058739	Electrical cables	3,550	4,000*	26-Nov-16	26-Nov-16
2300058740	Electrical cables	3,950	4,000	26-Nov-16	26-Nov-16
2300058741	Electrical cables	3,900	4,000	26-Nov-16	26-Nov-16

Source: OIOS analysis of MONUSCO procurement data
**The LVA limit was raised from \$4,000 to \$10,000 during the audit period*

41. The issue of splitting of procurement actions was previously raised by OIOS in its audit of procurement (report # 2016/065), dated 10 June 2016. To identify the practice of splitting procurement actions, the Mission had started to run Business Intelligence reports in Umoja to identify such cases and issued guidance to staff to avoid split purchases that may be used to bypass required formal solicitation and LCC review. However, the Mission did not properly follow up with its initiative and there was lack of proper oversight to prevent LVAs being incorrectly used. As a result, there was a risk that the procurement of goods and services was not always transparent and competitive.

42. Many of the 1,115 LVAs raised were by the Transport and Engineering Sections to obtain goods and services of a recurrent nature such as vehicle spare parts and construction materials. For instance: (a) the Engineering Section used 320 purchase order LVAs totaling \$1.7 million for electrical and construction materials although these items could have been supplied through blanket purchase orders established in Kinshasa and from other established contracts; and (b) the Transport Section issued 34 LVAs to more than 30 vendors to purchase vehicle spare parts although agreements had been established with major vehicle manufacturers and local spare parts dealers.

43. Additionally, a review of 98 out of 1,115 LVAs valued at \$598,000 showed that transactions were not supported with the required documents. For instance, in 93 of the 98 LVAs, the required three quotations

had not been obtained. In all 98 cases, the confirmation from the warehouses of non-availability of such goods was not obtained and there was also no assessment as to whether the items purchased achieved best value for money.

44. The Mission stated that it resorted to LVAs because of: the long lead time to complete a competitive process or obtaining the goods through already established systems contracts; and unforeseen operational needs especially in sectors of the Mission. In OIOS' view, the Mission needed to take appropriate action to discontinue the extensive use of LVAs and implement adequate and proper oversight measures to ensure that LVAs were used only for non-recurrent items or those not available under existing contracts. The continual excessive use of LVAs increased the risk of selecting less competitive suppliers and thus not obtaining the best value for money.

(7) MONUSCO should implement adequate oversight mechanisms over the use of low value acquisitions to ensure that: (a) procurement actions are not split to avoid competitive procurement; and (b) they are not used for recurring procurement requirements.

MONUSCO accepted recommendation 7 and stated that APC would continue to generate reports on use of LVAs on a regular basis and submit them to Service Chiefs of the pillars to ensure that they were controlled and not being used to split procurement actions to avoid competitive procurement and for recurring procurement requirements. In addition, supply chain management would strengthen APC to do due diligence on LVAs raised by technical units to ensure that they conformed with the established regulations and rules. Recommendation 7 remains open pending receipt of evidence that mechanisms have been implemented to avoid splitting of procurement actions and the reduction of LVAs for recurring procurement requirements.

Action was being taken to improve the monitoring and reporting of ex-post facto cases

45. During the audit period and prior to the recent change in delegation of authority, MONUSCO was required to minimize ex-post facto cases. When ex-post facto cases occurred, MONUSCO was required to report them to the Assistant Secretary-General, Office of Central Support Services (ASG/OCSS) within 15 days of the end of each quarter with written justifications to explain why timely presentation to the LCC/HCC was not possible.

46. The Mission had 17 ex-post facto cases during the audit period, of which 9 related to property leases, which are discussed later in the report. In OIOS' view, the remaining eight cases could have been avoided with proper management of contract extensions related to ground transport, garbage collection and medical services, a subject that will be reviewed in the future. Additionally, MONUSCO did not report 12 of the 17 cases to the ASG/OCSS. This was because MONUSCO had not implemented an adequate system to capture and report on ex-post facto cases. As this is one of the major KPIs required under the accountability framework for the new delegation of authority model, MONUSCO is already in the process of addressing this.

C. Management of leases

Need to take action to obtain land from the Government free of charge land and improve the management of leases

47. The Status of Force Agreement requires the Government of the Democratic Republic of the Congo (GoDRC) to provide MONUSCO with land, free of charge for its headquarters, camps and other premises as may be necessary for the conduct of its administrative activities. The MONUSCO standard operating procedures on rental of premises requires the Procurement Section to issue EOIs when GoDRC does not provide land. The procedures further require the Mission to conduct local market surveys of potential sites and in coordination with all relevant sections, inspect the proposed sites and submit reconnaissance reports.

48. The Mission had operations in 128 locations, but GoDRC had only provided land in 43 locations. For the remaining 85 locations, the Mission commercially leased parcels of land and properties at an annual expenditure of \$7.2 million and a total NTE of \$77.9 million over the life of the leases. OIOS reviewed 30 leases, 20 extensions and 10 new leases with NTE of \$26.9 million, and noted that there was insufficient due diligence and oversight over the acquisition and management of leases as outlined in the following paragraphs.

(a) Inadequate efforts to obtain land from GoDRC

49. In April 2016, GoDRC issued a memo requesting all regional governors to support the Mission's requests for land. Mission management; however, was not always proactive in following up and seeking new land for its operational requirements and in replacing existing private leases. This was because the offices of the Special Representative of the Secretary-General, Mission Chief of Staff and DMS did not provide ample time to heads of field offices to make requests to local governments for them to make the necessary arrangements. For instance, the Mission requested a regional governor to provide land to replace the lease of a camp in March 2017, just three months prior to the expiration of the lease. Due to the short period, the regional governor was unable to meet the request and locate suitable land. As a result, the Mission extended its current lease, justifying this by referring to the inability of GoDRC to provide land.

50. Additionally, LCC had repeatedly recommended that the Mission conduct a comprehensive survey of existing private leases to make more efforts to secure free land from GoDRC but actions had not been taken to address the LCCs recommendations. This led to consistent increases in rates being paid for leases. For example, in 2018, a landlord increased the monthly rate of the leased land for the log base in Bunia from \$13,000 to \$20,000. The LCC recommended that the contract be extended for one year instead of the 10 years proposed, and during this period, explore cost-effective options such as moving the base to a nearby camp that was on GoDRC land (the number of troops residing there had reduced from 4,000 to 1,000). Instead, the Engineering Section suggested leasing half of the site, without exploring other options. In the end, the monthly lease rate increased to \$15,000 for the site.

(b) Due diligence issues during acquisition of leases

51. The Mission repeatedly used reconnaissance visits to identify new sites, instead of conducting market surveys or issuing EOIs. The reconnaissance teams were not properly constituted and the members who were mostly staff of the Engineering Section, did not include representatives from the Procurement Section. Thus, the procurement process was not followed in all 10 of the new leases reviewed. For example, the lease rates were negotiated by reconnaissance teams instead of the Procurement Section whose involvement in the process was limited to proposing counter offers until an agreement was reached. In

addition, the Engineering Section obtained waivers from the DMS to directly negotiate lease rates with landowners, a function that should involve the Procurement Section.

52. In 2016, an individual who claimed to own the land in Nyanzale that was provided by the government for the Mission's military base since 2008, demanded payment of rent for the previous eight years. Prior to properly determining the facts, the Engineering Section signed the lease agreement effective April 2016, the same date that the title deed was date stamped to prove ownership by the claimant, with an NTE of \$180,000 expiring on 31 March 2026, without legal scrutiny of the ownership and the claim. The individual was paid starting from April 2016. The Mission informed OIOS that it would conduct a comprehensive review of ownership of all leased properties.

53. In 15 of the 30 sampled cases, there were discrepancies between the land areas in the title deeds and the actual areas measured during inspections by the reconnaissance teams and later confirmed by the Engineering Section and Geospatial and Information Technology Section. OIOS comparison of the areas in the title deeds with those inspected and the two Sections' reports showed that the actual land being paid for versus the actual land available to the Mission resulted in potential overpayment that could reach up to \$7.6 million from the dates when the contracts were signed to 30 June 2018 and \$21.3 million, when extrapolated over the life of the leases. This was because the Procurement Section did not reconcile the amount of land being leased as stated in the title deeds to the measured space by the Engineering Section and Geospatial and Information Technology Section.

54. The Mission processed the lease contracts through informal methods of solicitation, stating that market conditions did not allow for effective competition. However, in 2015, the Procurement Section published an EOI for the lease of the welfare compound in Goma and received 45 responses, negating the justifications provided for systematically using informal solicitation for leases and limiting the bargaining power of the Mission. In OIOS' view, the prevailing non-compliance with procurement guidelines and the use of only informal methods of solicitations were not fully justified.

(c) Excess cost due to not observing lease terms and not pursuing cost sharing opportunities

55. The Mission leased property for a gymnasium and commissary in Goma at a monthly rent of \$9,000 inclusive of utility costs. Due to the failure of the landlord to pay utility bills amounting to \$22,300, the utility services were disconnected. The Mission then proposed to pay and recover the utility bills from the monthly rent, but the landlord refused. Without negotiating with the landlord, the Mission installed a generator at the location at an average operational cost of \$10,000 per month. This resulted in extra cost of \$280,000 from December 2016 to March 2019.

56. When extending the lease of the Matadi office, the Procurement Section had informed the head of office that a member for the United Nations Country Team had free office space. However, the Mission did not explore the option of sharing the space available in the property to lower the lease costs and save the annual lease paid totaling \$262,900. In December 2018, MONUSCO started taking action and identified 29 leases that could be consolidated and thus result in cost saving. Considering the recent and anticipated drawdown of operations, there was still a need to assess all operational areas to determine space and land requirements and where opportunities existed to consolidate and terminate leases no longer required.

57. The above occurred because of inadequate oversight by the Mission's management to ensure that the relevant sections, especially the Mission Support Division along with the Engineering and Procurement Sections, properly discharged their duties in the acquisition and management of leased properties. This resulted in imprudent utilization of resources, possible financial loss, limited competitiveness, and a perception of lack of transparency in the Mission's property leasing activities

(8) MONUSCO should: (a) provide adequate guidance to its managers to engage the Government of the Democratic Republic of the Congo in a timely manner to request land; (b) identify leases that can be terminated or consolidated with members of the United Nations Country Team to reduce costs; and (c) compare the space actually leased against lease agreements and recover overpayments made, where applicable.

MONUSCO accepted recommendation 8 and stated that the Engineering Section was already working with other stakeholders and clients to terminate some leases and consolidate various premises. For instance, the Mission would relocate the South Kivu Brigade Headquarters from Bukavu town to Kavumu and release leases for the Property Disposal Unit yard in Uvira. Recommendation 8 remains open pending receipt of evidence of: guidance provided to the Mission managers to timely request land; action taken to terminate leases and consolidate premises, as appropriate; and evidence of comparison of leased space against agreements and actions taken to recover identified overpayments.

(9) MONUSCO should strengthen oversight over the management of leases to ensure those responsible discharge their duties, including conducting market surveys and negotiating lease rates, to achieve most favorable price and contract terms and compliance with established procedures.

MONUSCO accepted recommendation 9 and stated that the Procurement Section had recruited a staff effective 1 May 2019 to lead the Leases Unit and would be responsible for the proper management of leases, conducting market surveys and negotiating of lease rates. In addition, the Engineering Section would provide technical support to the Procurement Section during negotiation of lease rates and the market surveys by offering the requested technical data. Recommendation 9 remains open pending receipt of evidence of the improvement made in the management of leases by the responsible staff discharging their duties in achieving most favorable price and contract terms as well as compliance with established procedures.

IV. ACKNOWLEDGEMENT

58. 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.

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

STATUS OF AUDIT RECOMMENDATIONS

Audit of local procurement and acquisition planning in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical/ Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	MONUSCO should: develop work plans for the Procurement Section containing adequate targets and indicators of achievement; and establish and monitor achievement of key performance indicators for procurement operations, including utilization of long-term contracts, utilization of formal methods of solicitation and proper planning for goods and services as indicated in the new delegation of authority to the Head of Mission.	Important	O	Receipt of the approved workplan for 2019/20 and key performance indicators appropriately developed and evidence that they are monitored.	31 October 2019
2	MONUSCO should establish a mechanism to document and monitor implementation of the recommendations made by the Local Committee on Contracts to improve the quality of the cases submitted to the Committee and the procurement process.	Important	O	Receipt of evidence that the Mission has implemented a system to document and monitor recommendations of the Local Committee on Contracts for implementation.	31 December 2019
3	MONUSCO should take steps to strengthen its acquisition planning process by: (a) ensuring that its annual acquisition plan captures the requirements of all sections/units; and (b) training technical units and staff involved in acquisition planning on the functionalities of Umoja Extension II to enable them to verify all requirements for acquisition including verification of existing inventory stock.	Important	O	Receipt of subsequent acquisition plan that includes requirements of all sections/units; and evidence that responsible staff have participated in the training for Umoja Extension II when rolled out.	31 December 2019
4	MONUSCO should: (a) to ensure timely delivery of goods and services, establish a tracking system to monitor important milestones in the procurement process; and (b) provide guidance to technical units and staff involved in acquisition planning to ensure lead times are realistic when initiating procurement requests.	Important	O	Receipt of evidence of a tracking system that is effectively monitoring the procurement processes and guidance provided to technical units on realistic lead times.	31 December 2019

¹ 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.

² 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.

³ C = closed, O = open

⁴ Date provided by MONUSCO in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of local procurement and acquisition planning in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical/ Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
5	MONUSCO, to enhance the competitiveness of the solicitation process, should: (a) conduct outreach activities and market surveys to increase the pool of potential vendors; and (b) systematically post its invitations to bid for the required period of between 30 to 60 days.	Important	O	Receipt of evidence that the Mission has increased its pool of vendors through outreach activities and market surveys and systematically posted invitations to bid for the required period of between 30 to 60 days.	31 December 2019
6	MONUSCO, to improve the capacity of staff responsible for developing technical specifications and evaluating proposals received, should ensure that all staff are properly trained through attendance of available trainings, including online learning programmes.	Important	O	Receipt of evidence that staff responsible for developing technical specifications and evaluating proposals have received training.	31 December 2019
7	MONUSCO should implement adequate oversight mechanisms over the use of low value acquisitions to ensure that: (a) procurement actions are not split to avoid competitive procurement; and (b) they are not used for recurring procurement requirements.	Important	O	Receipt of evidence that mechanisms have been implemented to avoid splitting of procurement actions and the reduction of LVAs for recurring procurement requirements.	31 December 2019
8	MONUSCO should: (a) provide adequate guidance to its managers to engage the Government of the Democratic Republic of the Congo in a timely manner to request land; (b) identify leases that can be terminated or consolidated with members of the United Nations Country Team to reduce costs; and (c) compare the space actually leased against lease agreements and recover overpayments made, where applicable.	Important	O	Receipt of evidence of: guidance provided to the Mission managers to timely request land; action taken to terminate leases and consolidate premises, as appropriate; and evidence of comparison of leased space against agreements and actions taken to recover identified overpayments.	31 December 2019
9	MONUSCO should strengthen oversight over the management of leases to ensure those responsible discharge their duties, including conducting market surveys and negotiating lease rates, to achieve most favorable price and contract terms and compliance with established procedures.	Important	O	Receipt of evidence of the improvement made in the management of leases by the responsible staff discharging their duties in achieving most favorable price and contract terms as well as compliance with established procedures.	31 December 2019

APPENDIX I

Management Response



INTEROFFICE MEMORANDUM

17 June 2019

Ref

To: Mr. Daeyoung Park, Chief
Peacekeeping Audit Services
Internal Audit Division, OIOS

From: Leila Zerrougui
Special Representative of the Secretary - General

Subject: Mission Response to Draft Report on an audit of local procurement and acquisition planning in MONUSCO (Assignment No. AP2018/620/03)

1. Your interoffice memorandum reference OIOS-2019-13 dated 12 June 2019 refers.
2. Attached please find the Mission's response in respect of the recommendations in the Draft Report of the subject audit. Supporting documents will be provided to the Resident Audit Team only.

Kind regards.

Cc Ms. Cristina Gavazzo, Officer-in-Charge, Mission Support Division
Mr. Amadu Timbilla, Chief, Supply Chain Management Services
Mr. Azzam Ayyat, Officer-in-Charge, Service Delivery Services
Mr. Noah Estifanos, Officer-in-Charge, Procurement Section
Mr. Amir Muzzamil, Officer-in-Charge, Acquisition Planning Cell
Ms. Judith Atiagaga, Audit Focal Point
Mr. James Okwakol, Chief Resident Auditor for MONUSCO, OIOS
Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS

Attachment: Appendix I - Management Response

Management Response

**Audit of local procurement and acquisition planning 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: develop work plans for the Procurement Section containing adequate targets or indicators of achievement; and establish and monitor achievement of key performance indicators for procurement operations, including utilization of long-term contracts, utilization of formal methods of solicitation and proper planning for goods and services as indicated in the new delegation of authority to the Head of Mission.	Important	Yes	Officer-in-Charge (OIC) Procurement Section	31 October 2019	The Mission through the Procurement Section's Compliance and Quality Assurance Unit is in the process of developing a comprehensive set of key performance indicators (KPIs) to measure the performance of the Procurement Section. In addition, the workplans for Procurement Section staff for 2019-20 which contain goals, adequate targets and indicators of achievement and key related actions are under development and will be linked to the annual workplan of the Procurement Section. The Section will ensure that the key related actions are measurable and effective to support the new delegation of authority to the Head of Mission. A copy of the draft KPIs under development is attached for audit reference.
2	MONUSCO should establish a mechanism to document and monitor implementation of the recommendations made by the Local Committee on Contracts to improve the	Important	Yes	OIC Procurement Section	31 December 2019	The Local Committee on Contracts (LCC) and its secretariat will document their recommendations on the improvements in case presentation in paragraph form as "other

¹ 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.

² 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.

Management Response

**Audit of local procurement and acquisition planning 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
	quality of the cases submitted to the Committee and the procurement process.					recommendations” to the Decision Maker. Procurement Section will extract and compile these recommendations in a document that will be attached to the existing checklist. The checklist will include a checkbox to confirm that the case reviewer has considered all the LCC recommendations (attached to the checklist) in finalizing the review of the case before presentation to the LCC for deliberation. The completed checklist will accompany every case submitted to the LCC. This will enable the LCC to monitor/confirm that their recommendations are being considered.
3	MONUSCO should take steps to strengthen its acquisition planning process by: (a) ensuring that its annual acquisition plan captures the requirements of all sections/units; and (b) training technical units and staff involved in acquisition planning on the functionalities of Umoja Extension II to enable them verify all requirements for acquisition including verification of existing inventory stock.	Important	Yes	OIC Acquisition Planning Cell	31 December 2020	(a) From the 2019-20 budget cycle, the Acquisition Planning Cell (APC) is making efforts in collaboration with clients to capture Missionwide requirements as part of demand and acquisition planning for fiscal year 2019-20. The requirements for Security Services Section i.e. under substantive section/Special Representative of the Secretary General and disarmament, demobilization and reintegration (DDRRR) will also be captured in the acquisition and

Management Response

Audit of local procurement and acquisition planning 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
						<p>demand planning for the whole mission during 2019-2020 budget cycle.</p> <p>Before the deployment of Umoja extension 2 (UE2) in the Mission, staff members required to use the Supply Chain Management Modules/UE2 will be given online training via Inspira and face to face/class training before being granted access. However, the deployment of UE2 is dependent on the completion of the global physical inventory reconciliation and optimization (PIRO) which is a cleanup exercise currently ongoing in all missions including MONUSCO. MONUSCO's PIRO Project Team is working closely with the Headquarters PIRO Team to ensure the cleanup exercise is completed before the deployment of UE2. Upon completion of the PIRO Project, United Nations Headquarters will announce the UE2 roll out plan and provide the training calendar to be implemented. Until the PIRO Project is completed for all missions, training is pending for all missions.</p>

Management Response

**Audit of local procurement and acquisition planning 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
4	MONUSCO should: (a) to ensure timely delivery of goods and services, establish a tracking system to monitor important milestones in the procurement process; and (b) provide guidance to technical units and staff involved in acquisition planning to ensure lead times are realistic when initiating procurement requests.	Important	Yes	OIC Procurement Section	31 December 2019	<p>(a) MONUSCO Procurement Section is using the Share portal Tracking tool in order to monitor the on-going Procurement processes and generate reports. The tool is monitored by the Quality Assurance Team. An extract in Excel of the tool is attached for verification.</p> <p>(b) In order to improve meeting delivery times, Procurement Section will share with the technical units the realistic lead times to facilitate initiation of the procurement process in a timely manner to meet the operational demands.</p>
5	MONUSCO, to enhance the competitiveness of the solicitation process, should: (a) conduct outreach activities and market surveys to increase the pool of potential vendors; and (b) systematically post its invitations to bid for the required period of between 30 to 60 days.	Important	Yes	OIC Procurement Section	(a) and (b) 31 December 2019	<p>(a) MONUSCO Procurement Section takes note of this recommendation. Outreach activities and market surveys will be conducted to increase the pool of potential vendors. An updated pool of vendors will be shared with the audit team after the outreach activities.</p> <p>(b) MONUSCO's Procurement Section strives to post invitations to bid for Request for Quotations</p>

Management Response

**Audit of local procurement and acquisition planning 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
						for periods of 30 – 60 days as required in the Procurement Manual, depending on the complexity of the cases. In order to improve meeting delivery times, Procurement Section will share with the technical units the realistic lead times to facilitate initiation of the procurement process in a timely manner to meet the operational demands.
6	MONUSCO, to improve the capacity of staff responsible for developing technical specifications and evaluating proposals received, should ensure that all staff are properly trained through attendance of available trainings, including online learning programmes.	Important	Yes	OIC Procurement Section	31 December 2019	MONUSCO Procurement Section is participating and leading the training on “Scope of Works” to build capacity on the technical units and a proper understanding of the procurement cycle.
7	MONUSCO should implement adequate oversight mechanisms over the use of low value acquisitions to ensure that: (a) procurement actions are not split to avoid competitive procurement; and (b) they are not used for recurring procurement requirements.	Important	Yes	OIC Procurement Section	31 December 2019	As all Low Value Acquisitions (LVAs) are approved by Certifying Officers under different pillars, the Acquisition Planning Cell will continue to generate reports on use of LVAs on a regular basis and submit them to the Service Chiefs of the pillars who will be required to review them to ensure that LVAs are controlled and not being used to split procurement actions to avoid competitive procurement and are also not used for recurring procurement requirements. In addition, Supply

Management Response

**Audit of local procurement and acquisition planning 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
						Chain Management will strengthen the Acquisition Planning Cell to enable them to do due diligence on LVAs raised by technical units to ensure that they conform with the established regulations and rules governing the use of LVAs.
8	MONUSCO should: (a) provide adequate guidance to its managers to engage the Government of the Democratic Republic of the Congo in a timely manner to request land; (b) identify leases that can be terminated or consolidated with members of the United Nations Country Team to reduce costs; and (c) compare the space actually leased against lease agreements and recover overpayments made, where applicable.	Important	Yes	OIC Procurement Section/Chief Engineer	31 December 2019	MONUSCO's Engineering Section is already working with other stakeholders and clients (Mission Support Center, Procurement Section, Force headquarters, United Nations Police Operations etc) to implement this recommendation by terminating some leases and consolidating various premises. Some specific actions include relocating the South Kivu Brigade Headquarters from Bukavu town to Kavumu and releasing leases in Uvira Property Disposal Unit yard.
9	MONUSCO should strengthen oversight over the management of leases to ensure those responsible discharge their duties by ensuring compliance with established procedures, including conducting market surveys and negotiating lease rates.	Important	Yes	OIC Procurement Section/Chief Engineer	31 December 2019	MONUSCO Procurement Section, Leases Unit has been reinforced with a National Officer staff since 1 st of May 2019. This new staff member will be leading the Leases Unit and will oversee the implementation of this recommendation. The staff member will ensure the proper management of leases, conduct of market surveys and negotiation of lease rates. In addition, Engineering Section will provide technical support

Management Response

Audit of local procurement and acquisition planning 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
						to Procurement Section during the negotiation of lease rates and the market surveys exercises by offering the requested technical data.