



INTERNAL AUDIT DIVISION

REPORT 2026/005

Audit of category management in the United Nations Secretariat

Category management was successfully operationalized but there was a need for guidance on the escalation of related risks, and to assess the benefits through feedback from client entities

1 May 2026

Assignment No. AH2025-619-01

Audit of category management in the United Nations Secretariat

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the category management in the United Nations Secretariat. The objective of the audit was to assess the efficiency and effectiveness of the category management framework within the United Nations Secretariat. The audit covered the period from 1 January 2022 to 30 June 2025 and focused on: (a) governance; (b) implementation of category strategies and programmes of work; and (c) performance management.

The Category Management Governance Board and category teams were established and operating effectively. Category teams developed category strategies and programmes of work and engaged constructively with stakeholders to provide the required support and guidance, when needed. In addition, a category health dashboard was being developed to enhance performance oversight. However, guidance on the prioritization, escalation, and inclusion of category-specific risks in the departmental risk register was inadequate. There was also no structured mechanism in place to systematically measure the effectiveness of client services provided by the category management teams and of the overall category management approach.

OIOS made two recommendations. To address issues identified in the audit, DOS needed to:

- Issue guidance on the identification, prioritization, and escalation of category management-related risks for Governance Board's consideration and potential inclusion in the departmental risk register.
- Obtain feedback directly from client entities on the effectiveness of its client services and the category management approach

DOS accepted the recommendations and initiated actions to implement them. Actions required to close the recommendations are indicated in Annex I.

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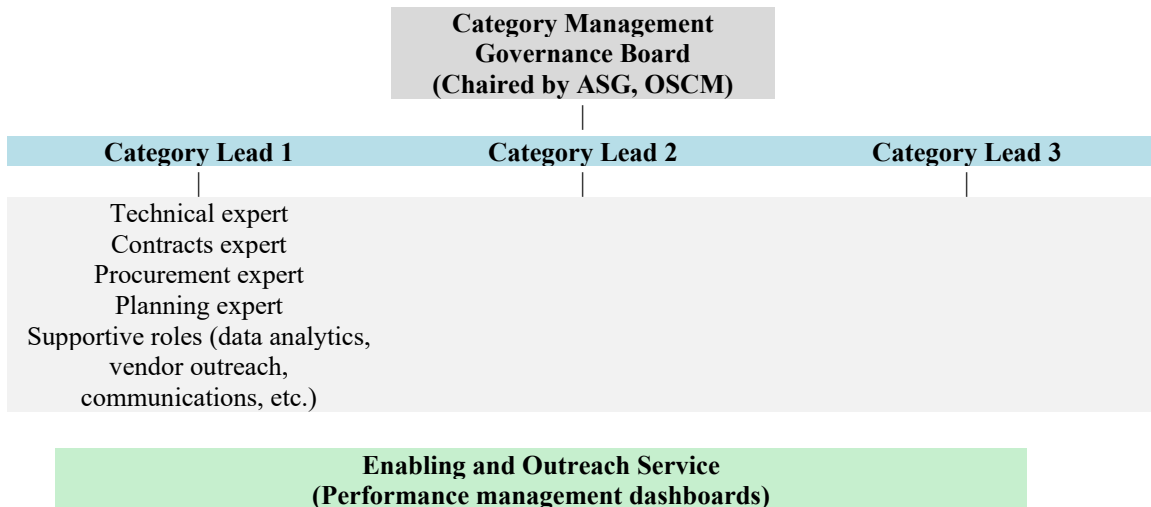
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Audit of category management in the United Nations Secretariat

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of category management in the United Nations Secretariat.
2. The 2015 supply chain road map and 2017 supply chain management (SCM) blueprint aimed to transition the United Nations towards a unified and efficient SCM process. In 2019, the General Assembly established the Office of Supply Chain Management (OSCM) by resolution 72/266 B to implement integrated supply chains for the Secretariat. Implemented under the leadership of the Assistant Secretary-General (ASG), OSCM, a cornerstone of this transformation was category management. As highlighted in paragraph 192 of the Secretary-General's 2018 report (A/72/492/Add.2), category management was implemented as a strategic approach to sourcing, where technical and commercial teams collaborate to optimize sourcing solutions. Category management encompasses the management of end-to-end lifecycle of goods and services including requirements gathering, sourcing, deployment and disposal focusing on total cost of ownership and long-term value for the Organization.
3. The Supply Chain Operational Guidance (SCOG) for category management, issued in January 2021, establishes the framework for implementing category management across the Secretariat. Under this approach, goods and services are grouped into categories with tailored strategies developed for each category. These strategies include, inter alia, key sourcing approaches such as whether a commodity should be procured through global system contracts, regional or local arrangements, and the sourcing channels (e.g., commercial procurement, letters of assist, or United Nations-wide collaboration). The overall objective of category management is to make the acquisition and delivery of goods and services more strategic, efficient, agile, cost effective and by delivering innovative solutions for clients.
4. The category management governance structure is shown in figure I.

Figure I: Category management governance structure



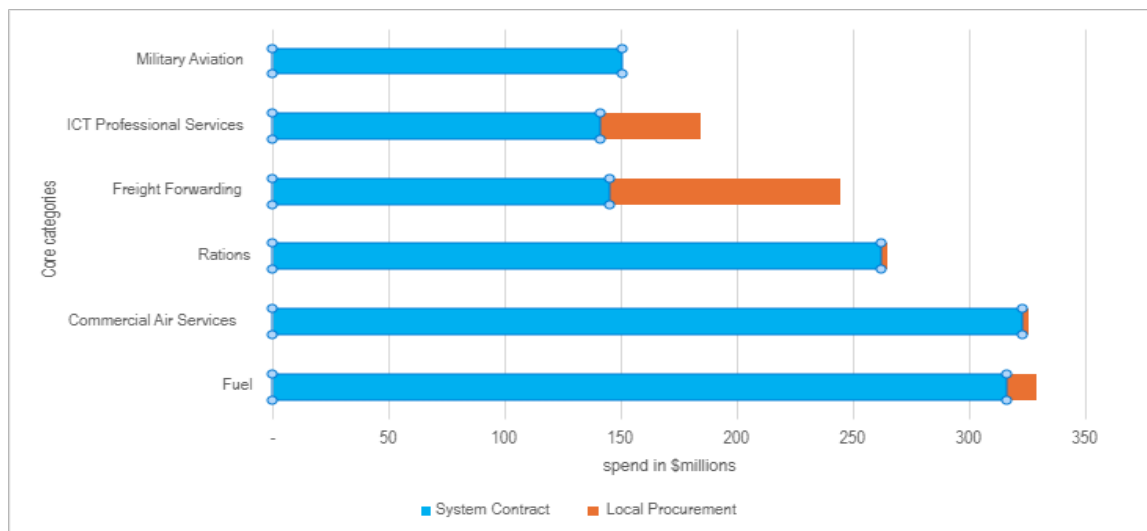
5. Heading the governance structure, the Category Management Governance Board provides strategic direction and management oversight, approves key initiatives, and addresses cross-cutting issues to align category initiatives with organizational priorities. Each team is led by a category lead, who is the senior-

most expert for the category within the Logistics Division, or Office of Information and Communications Technology (OICT) for technology related categories. The category lead is responsible for overseeing all aspects of the category, including providing strategic guidance and coordinating team members assigned on either a full- or part-time basis. Additionally, OSCM develops dashboards and performance management frameworks to provide data-driven insights, thereby enhancing supply chain performance and supporting effective decision-making.

6. Initially, category management strategies were developed for around 40 categories of commodities to determine key improvement initiatives and optimal sourcing solutions for each category to enhance the end-to-end supply chain management. With the introduction of the OSCM 2.0 framework and in line with a recommendation¹ of the Board of Auditors, these were restructured into 15 core categories and 25 bespoke categories. Core categories are those for which OSCM or OICT assumes responsibility for developing overarching strategies, guidance, and sourcing solutions applicable across the Secretariat. Bespoke categories, on the other hand, address entity-specific requirements and are supported by OSCM on a demand-driven basis, depending on the nature and complexity of the procurement need.

7. The analysis of total procurement expenditure/spend of approximately \$2.83 billion from 1 January to 31 December 2024 shows that about 10 per cent of spending was on materials, while 90 per cent was on services. The breakdown of the spend on the top six core categories by contract types, namely, system contracts and local contracts is presented in figure II.

Figure II: Expenditure/spend by core categories from 1 January 2024 to 31 December 2024 (in millions of United States dollars)



Source: Category management spend analysis dashboard

8. SCM activities are managed in Umoja, supported by several dashboards for analysis and monitoring.

9. Comments provided by DOS are incorporated in italics.

¹ Paragraph 312 of A/79/5 Vol. I

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

10. The objective of the audit was to assess the efficiency and effectiveness of the category management framework within the United Nations Secretariat.
11. The audit was included in the 2025 risk-based work plan of OIOS due to the financial and operational risks associated with the category management component of the overall supply chain management.
12. OIOS conducted this audit from August to October 2025. The audit covered the period from 1 January 2022 to 30 June 2025 and focused on: (a) governance; (b) implementation of category strategies; and (c) performance management.
13. The audit methodology included: (a) interviews with key personnel in the Department of Operational Support (DOS) and other entities; (b) review of relevant documents; (c) sample testing of the implementation of key initiatives and performance monitoring of five core categories² and one bespoke category;³ (d) administering audit questionnaires to category leads of sampled categories; and (e) analytical review of data.
14. The Enabling and Outreach Service (EOS) developed and implemented various dashboards including spending analysis by category, supply chain performance, supply chain planning and procurement toolkit. These dashboards use dedicated data models in Umoja Analytics. To assess reliability of data, OIOS reviewed information in dashboards and collaborated with DOS personnel to address any discrepancies.
15. The audit was conducted in accordance with the Global Internal Audit Standards.

III. AUDIT RESULTS

A. Governance

The functioning of the Governance Board was effective

16. According to SCOG for category management, strategic oversight of category management was initially exercised by the Category Management Steering Committee, which was responsible for reviewing and approving category strategies, resource allocations, and coordination with the Management Client Board. Following a shift in category management in May 2024, from a project-based initiative to a mainstream operational approach (termed OSCM 2.0), the Category Management Governance Board was established in June 2024, replacing the Steering Committee. The Board is chaired by ASG, OSCM and composed of the Directors of Procurement, Logistics, and Uniformed Capabilities Support Divisions, United Nations Logistics Base (UNLB), and the Chief of EOS.
17. The Board has convened monthly since its inaugural meeting on 28 June 2024. A review of minutes of the Board's meetings indicated its active engagement in approving programmes of work for core categories, endorsing key initiatives for each core category, providing management oversight, and addressing resource issues and cross-cutting priorities according to its terms of reference (TORs).

² Vehicle fleet, rations, security equipment and systems, information technology professional services, intelligence, surveillance, and reconnaissance (ISR) and electronic defense category

³ Facilities management

The Governance Board was taking action to address the need for clearer guidance on bespoke categories

18. Following the reclassification of certain categories of goods and services as bespoke categories under OSCM 2.0, there were no assigned category leads or established category teams for these categories, and programmes of work were not developed. Although the management of bespoke categories is intended to be demand-driven, based on entity requirements, it is essential to designate category focal points for each bespoke category and ensure their roles are effectively communicated to clients for seeking advice when needed.

19. The Governance Board, at its meeting on 13 January 2025, identified the increased demand for clarity regarding accountability and clarification of bespoke categories related issues, the need to identify category-specific focal points and the need for varying levels of supervision requirements associated with each bespoke category. Since the Governance Board has already identified these challenges and is exploring modalities for managing bespoke categories going forward, OIOS did not make a recommendation.

The composition and functioning of category teams were effective

20. The TORs for core category teams provide guidance on forming teams that ensure effective implementation of category strategies. The teams are designed based on a standard framework of roles and expertise, ensuring consistency, scalability, and efficiency across all categories while retaining flexibility to meet the unique needs of each category.

21. Each core category team consisted of five core roles including category lead, and a mix of technical, procurement, planning and contract management expertise. Additionally, six support roles were included providing expertise in data analytics, vendor outreach, logistics, sustainability, communications, and contingent-owned equipment (COE). Category leads oversaw the category teams and were accountable for the successful implementation of their programmes of work. These programmes of work were linked to the performance appraisals of each team member, ensuring alignment of their work with category strategies, facilitating staff performance evaluation, and establishing accountability.

22. The frequency of meetings within category teams varied, with more dynamic categories such as rations having daily interactions with stakeholders, including ad hoc meetings to resolve operational challenges and weekly meetings with peacekeeping missions. On the other hand, the vehicle fleet category team held biweekly meetings to discuss various ongoing activities related to category management. Due to resource and administrative constraints, meeting minutes were not always recorded. However, OSCM prepared monthly reports to capture the status of solicitations and operational challenges, as well as issues addressed by the category teams.

Change management initiatives were undertaken for category management

23. Effective change management is essential for the successful implementation of new initiatives, ensuring stakeholder awareness, adoption of new processes, and alignment with intended objectives.

24. The Supply Chain Blueprint and SCOG for category management were widely disseminated across the Secretariat entities. At the category strategy development stage, category teams conducted surveys and solicited feedback from a broad range of stakeholders across the Secretariat on aspects such as emerging needs, available sourcing options, and potential areas for improvement. The category teams prepared and presented detailed briefings to senior management and relevant business area leads to explain the initiatives, implementation approaches, expected benefits, and progress, and to gather inputs.

25. In mid-2024, programmes of work were developed for the core categories, also including key initiatives for implementation. While the category strategies outlined broad initiatives reflecting long-term strategic ambitions for each category, the programmes of work consisted of annual, prioritized actions defined by the core category teams to align with available resources and the streamlined OSCM 2.0 governance model. The programmes of work were developed by respective category teams in consultation with cross-functional team members and reviewed and approved by the Governance Board.

26. The ASG, OSCM disseminated category strategies to heads of entities for subsequent communication within their respective teams. Subsequently, there was continuous engagement with stakeholders through client advocacy and outreach including meetings, workshops and email correspondence. The category teams also provided support to the client entities on various sourcing functions and solutions, as needed. Furthermore, each category maintained a community of practice, providing a repository of key information accessible to client missions. Category management initiatives were also discussed at workshops and seminars to facilitate broader understanding and engagement. The business guidance for supply chain planning for fiscal year 2026–27 (peacekeeping) and 2027 (regular budget), issued by OSCM to all Secretariat entities provided specific guidance on sourcing relevant goods and services, encouraging entities to consult category-specific guidance to shape demand and apply best practices in procurement.

B. Implementation of category strategies and programmes of work

Need to update guidelines on monitoring progress towards programmes of work

27. The SCOG for category management requires category teams to implement approved category strategies and monitor progress against agreed implementation schedules to ensure that key initiatives are executed effectively.

28. A review of category strategies developed during 2020–2021 indicated that each strategy identified key improvement initiatives with defined implementation schedules aimed at improving category management outcomes. The shift to OSCM 2.0 introduced “programmes of work” for each core category, which prioritized specific activities for each year. However, there was no unified approach to monitor the implementation of key initiatives in category strategies and activities in programmes of work. Although OSCM had developed an implementation tracker template as part of the category management initiatives, it was not consistently used. For instance, the rations category team developed its own spreadsheet to track initiative progress, whereas teams for the vehicle fleet and security equipment and systems categories lacked systematic mechanisms to monitor progress.

29. DOS advised that OSCM 2.0 had mainstreamed category management by bringing it under the day-to-day supervision of the Logistics Division Director. Additionally, the Category Management Governance Board monitors progress towards programmes of work for effective management of categories. Therefore, OIOS did not make a recommendation.

30. However, OIOS noted that the existing SCOG, developed in January 2021, predates the implementation of OSCM 2.0 and does not fully reflect current practices and governance arrangements. In view of the changes introduced under OSCM 2.0, OIOS encourages DOS to update SCOG to ensure alignment with current category management policies and practices.

Need to clarify the escalation of category management risks into the DOS risk register

31. The SCOG for category management and the terms of reference for the core category teams require them to conduct category risk management by identifying and assessing risks and developing mitigation strategies to minimize their impact on operations and performance.

32. A review of category strategies and programmes of work indicated that category-specific risk management was not consistently incorporated. For example, the facilities management strategy, developed in December 2020 (prior to its reclassification as a bespoke category in May 2024), incorporated risk assessment by detailing risks, likelihood, impact, and mitigation actions. In contrast, other categories, such as vehicle fleet, security equipment and systems, information technology professional services, and ISR and electronic defense systems did not include category-specific risk mitigation plans within their strategies or programmes of work. Category-specific risks for the ISR and electronic defense category, such as the rapid pace of technological change, a limited and highly regulated supplier base, varying operational conditions across missions, and the need for host-country approvals/embargo on suppliers from certain countries were not reflected in the documents, although they were managed through continuous monitoring and maintenance of sufficient inventories.

33. OSCM stated that some category risks were captured in the Secretariat and DOS risk registers (i.e., theft of rations and fuel) and emphasized the need to avoid duplicating the risk management process at the category level. OIOS noted, however, that the category risks being managed through these registers did not address risks to the category management objective, nor did all the supply chain-related risks taken as a whole.⁴ Also, there were no criteria for determining how risks unique to individual categories should be prioritized, escalated to the Governance Board, and considered for inclusion in the departmental risk register. Although the Governance Board focused discussions on each category in turn during their monthly meetings, risks and corresponding mitigation measures were not consistently addressed. This limited visibility over certain category-specific risk drivers, which may affect category management outcomes.

(1) DOS should issue guidance to category leads on the identification, prioritization, and escalation of category management–related risks to the Category Management Governance Board for its consideration and inclusion in the departmental risk register, if applicable.

DOS accepted recommendation 1 and stated that it would issue guidance to category leads through category board meetings, with such guidance documented in the meeting minutes.

Programmes of work were developed for non-technology-related categories but those for technology-related categories were lagging

34. The Category Management Governance Board emphasized the need for development of clear programmes of work for all 15 core categories in terms of the updated category management approach under OSCM 2.0, as reflected in the memorandum of 16 May 2024, issued by ASG, OSCM. These programmes of work were intended to, inter alia, set out time-bound initiatives with projected milestones for a defined period, while category strategies articulated the longer-term direction.

⁴ Current supply chain-related risks include: (a) Risk #2. Theft: Fuel and Rations; (b) Risk #10. Supply Chain Planning - Inability to produce a consolidated global supply chain plan, inclusive of all relevant entities, supported by DOS; (c) Risk #17. Procurement - Failure to purchase operating and other supplies, equipment, goods, and services needed to support operations and achieve stated objectives; and Risk #18. Procurement Fraud.

35. By August 2024, programmes of work had been established for 12 of the 15 core categories, setting out time-bound improvement initiatives such as reducing bulk packaging materials, including single-use plastics in the rations category, and evaluating buy-versus-lease options in security equipment and systems.

36. Subsequently, the programme of work for ISR and electronic defense was established in April 2025. Yet, no programmes of work were established for the other two technology-related categories, namely, information technology professional service and enterprise solutions at the time of audit. On the other hand, the programme of work for the ISR and electronic defense category contained newly defined activities that were largely focused on procurement schedules (e.g., solicitations for counter-unmanned aircraft systems), but continuity of older strategy initiatives was missing to ensure that progress achieved on earlier initiatives were maintained or built upon. The continuity was further affected by the frequent rotation of seconded military personnel who held category management roles for this category, resulting in loss of institutional knowledge.

37. Unlike other categories where category leads are within OSCM, the technology-related categories are led by OICT, which operates outside of OSCM. This structural separation had contributed to gaps in coordination, limiting the timely development and implementation of programmes of work. Recognizing this, OICT has initiated steps to improve collaboration, including developing programmes of work for all technology-related categories and designating a coordinator to strengthen coordination with OSCM. Therefore, OIOS did not make a recommendation but encourages sustained collaboration between OICT and OSCM to implement technology-related category strategies.

While category teams provided needed support, DOS undertook to further improve requisitioner capacity

38. The SCOG for category management requires category teams to provide ongoing technical and operational guidance to clients on category-related matters, including the preparation of requests for proposals, supply chain solutions, and alignment with category strategies.

39. OIOS noted that category teams actively engaged with requisitioners and procurement offices across peacekeeping missions and offices away from Headquarters. Their support included preparation of solicitation documents, provision of technical clearances, and ensuring alignment of procurement activities with category strategies. For example, in the case of food rations for uniformed personnel in the United Nations Support Office in Somalia, the rations category team and the Procurement Division provided technical and procedural support in preparing the statement of work and throughout the solicitation process, which resulted in the establishment of a local rations contract for dry food with a not-to-exceed value of \$55 million.

40. In addition to operational support, category teams coordinated with planning units to forecast requirements and addressed category-related issues raised by client entities. Overall, OIOS observed that category teams have provided the needed advisory support to stakeholders and demonstrated responsiveness to mission-specific needs.

41. However, the effectiveness of such support in the implementation of supply chain solutions at the entity level is partly dependent on the requisitioners' ability to define clear technical requirements and evaluation criteria and apply consistent procurement standards and practices. In the Secretariat's decentralized model where entities awarded 4,561 local contracts between 2022 and 2024 (out of 5,683 Secretariat-wide), largely within non-strategic and bespoke categories, ready access to a repository of procurement good practice resources (e.g., model statements of work and technical evaluation criteria) would facilitate improved quality and timeliness. While OSCM had established communities of practice to share resources, these were primarily oriented toward core categories. The United Nations Global Service Centre had developed a repository of good procurement practices for engineering, design and construction

projects. However, these types of resources were not uniformly available in a structured manner across all purchased categories of goods and services.

42. DOS undertook to establish and maintain a centrally accessible repository of procurement good practice resource documents to promote consistency and improve procurement efficiency across Secretariat entities.

C. Performance management

A category health dashboard was being developed to enhance performance oversight

43. The SCOG for category management requires OSCM to develop category-specific KPIs aligned with the principles and objectives of each category strategy. These KPIs would be monitored regularly through management dashboards facilitated by EOS. Category leads are responsible for reviewing the status of KPIs against agreed targets with their respective category teams.

44. OIOS review noted that category-specific KPIs were not developed consistently across the categories. For example, the strategies for security equipment and systems and ISR and electronic defense categories did not include category-specific KPIs. In other instances, KPIs were defined but were not clearly aligned with the strategies' stated principles and initiatives. This included the vehicle fleet category strategy which emphasized certain key principles such as cost efficiency (through vehicle standardization), flexibility (offering multiple sourcing options), sustainability (minimizing environmental footprint), road safety, and quality but related KPIs were not aligned with these principles. Furthermore, when present, KPIs lacked defined targets and timelines to measure progress. Furthermore, category-specific KPIs, whether clearly defined in the strategy or not, were not consistently analyzed or monitored through category-specific dashboards. The Supply Chain Performance Management dashboard established by EOS provided some global KPIs for supply chain management based on industry standards, such as acquisitioning timeline⁵ and source reliability,⁶ which could be filtered by category, but these did not always match the specific principles or objectives defined in certain category strategies.

45. At its meeting of 21 March 2025, the Category Management Governance Board recognized the need to better leverage existing data and establish a "category health" dashboard that can be used by category teams and the Board to ask key questions and gain insight into how a category is functioning. The category health dashboard would enhance transparency, support evidence-based discussions during Governance Board meetings, facilitate early identification of performance issues, and enable timely corrective actions. A first version of the dashboard has been developed and is under review by category leads to refine the metrics, set clear targets and build the framework for tracking category health.

DOS was taking action to update category management dashboards for certain categories

46. Some of the 15 core categories were created by merging old categories. For example, the healthcare category was formed by combining the medical equipment, medical services and pharmaceuticals categories. However, the supply chain performance dashboard has not yet been updated to reflect newly merged core categories, leading to temporary gaps in visibility and outdated performance metrics due to reliance on older category mappings in Umoja Analytics. EOS has advised that efforts are ongoing to update the performance dashboard.

⁵ Time required between the creation of a shopping cart and issuance of the corresponding purchase order

⁶ Timely delivery of the perfect quantity of goods

Need to assess the benefits realized from the category management approach

47. The Supply Chain Management Blueprint (2017) outlines that category management is intended to focus on benefit realization, including better service to missions, faster delivery and improved total cost of ownership. However, although category strategies were developed as early as 2020–2021 and programmes of work were introduced in 2024, OSCM had not yet established a systematic mechanism to measure and report on the benefits realized from their implementation. No statutory or consolidated reports have been issued to demonstrate the tangible impact of category management initiatives supported by relevant data analytics. As a result, the Secretariat has limited visibility of the extent to which the intended strategic outcomes have been achieved.

48. DOS advised that its role is to enable client entities to realize benefits through sourcing and delivery of goods and services at the right time, place, and price. These benefits are operational and programmatic in nature, supporting entities in advancing their mandates. Accordingly, DOS considers that benefits are reflected primarily at the level of client entities' operations. However, neither DOS nor the Category Management Governance Board had implemented measures to obtain feedback from the client entities to better understand perceived benefits, identify areas for improvement, and assess the extent to which category management initiatives contribute to intended outcomes and add value in strengthening supply chain efficiency across the Secretariat.

(2) DOS should obtain feedback directly from client entities on the effectiveness of its client services and the category management approach.

DOS accepted recommendation 2 and stated that it would conduct a client satisfaction survey to receive feedback from client entities.

IV. ACKNOWLEDGEMENT

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

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of category management in the United Nations Secretariat

Rec. no.	Recommendation	Critical ⁷ / Important ⁸	C/ O ⁹	Actions needed to close recommendation	Implementation date ¹⁰
1	DOS should issue guidance to category leads on the identification, prioritization, and escalation of category management–related risks to the Category Management Governance Board for its consideration and inclusion in the departmental risk register, if applicable.	Important	O	Receipt of evidence that relevant guidance was issued to category leads.	30 September 2027
2	DOS should obtain feedback directly from client entities on the effectiveness of its client services and the category management approach.	Important	O	Receipt of evidence that a client satisfaction survey was conducted to obtain direct feedback from client entities.	30 June 2027

⁷ 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.

⁸ 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.

⁹ Please note the value C denotes closed recommendations, whereas O refers to open recommendations.

¹⁰ Date provided by DOS in response to recommendations.

APPENDIX I

Management Response

Management Response

Audit of category management in the United Nations Secretariat

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	DOS should issue guidance to category leads on the identification, prioritization, and escalation of category management-related risks to the Governance Board for its consideration and inclusion in the departmental risk register, if applicable.	Important	Yes	ASG/OSCM	Q3/2027	Guidance will be issued to category leads through category board meeting and will be documented through meeting minutes.
2	DOS should obtain feedback directly from client entities on the effectiveness of its client services and the category management approach.	Important	Yes	ASG/OSCM	02/2027	OSCM will conduct a client satisfaction survey to receive feedback from client entities.

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

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